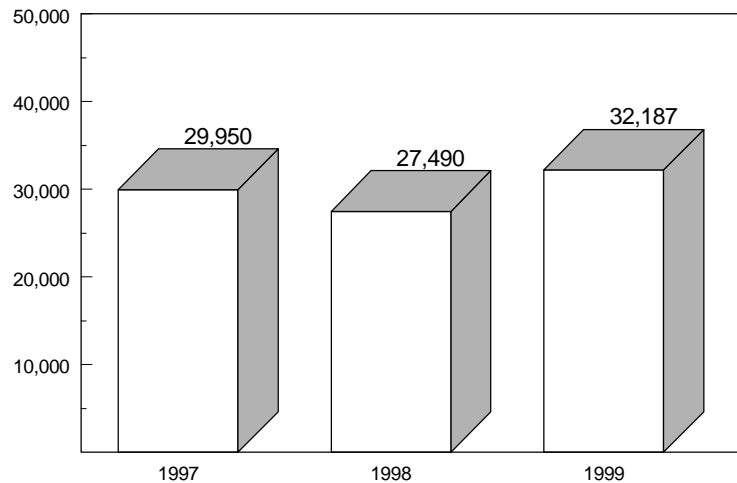


GENERAL ADMINISTRATION

GA FUNDING

(Dollars in Thousands)

Within General Administration (GA), the Salaries and Expenses account provides funding for the Secretary, Deputy Secretary and support staff. Responsibilities involve policy development and implementation affecting U.S. and international activities as well as establishing internal goals and operations of the Department. The functions include serving as the primary liaison with the executive branch, and Congressional and private sector groups, and acting as the management and administrative control point for the Department.



For FY 1999, GA will focus on the following performance measures which will indicate progress in meeting its goals and objectives.

Measure	1997	1998	1999
Monitor progress in working with a dozen agencies to use a survey-based tool Performance Measurement Assessment Tool (PMAT) to measure efficiency, effectiveness and quality of Departmental procurement.	<p>Succeeded in developing a new Management Survey and Vendor survey.</p> <p>Applied PMAT to three more areas in Commerce.</p> <p>Refined all PMAT surveys.</p> <p>Continued to lead and expand the PMAT Interagency Coordinating Council.</p>	<p>Total amount spent by procurement as a % of budget.</p> <p>Number of cross-functional teams sponsored by the procurement organization.</p> <p>Amount budgeted for procurement as a % of the enterprise budget</p> <p>Percentage of procurement employing a formal supplier rating system.</p> <p>Tie PMAT scores to Office of Acquisition Management (OAM) strategic plan and to performance plans.</p>	<p>Implement PMAT electronically.</p> <p>Expand PMAT beyond 14 member agencies.</p> <p>Expand PMAT to more administrative staff functions.</p>

Measure	1997	1998	1999
Develop and implement a new goal-based plan for Commerce Administrative Management System (CAMS) to evaluate the pilot implementation of the core Financial System, before continuing with a Departmental-wide implementation.	Developed and implemented a new plan for CAMS. Began pilot implementation.	Completed and evaluated pilot implementation.	Based on results of pilot implementation begin to implement integrated financial system Department-wide.
Develop and implement a re-engineered acquisition process, called Concept of Operations (CONOPS), to make and measure major reductions in acquisition time, speed the process of program implementation and aid contractors in responding to needs.	<p>Conducted, evaluated, and completed six pilot projects.</p> <p>Placed transition teams in PTO and Census.</p> <p>Developed communications and training plan.</p> <p>Reduced lead-time in acquisition processing.</p>	<p>Reduced acquisition lead-time as measured through PMAT.</p> <p>Identified and started five project teams that prepared project agreements before discrete acquisitions are identified.</p> <p>Developed and applied one pilot team incentive package.</p>	<p>Reduce more acquisition lead-time as measured through PMAT.</p> <p>Identify and start more than five project teams that prepared project agreements before discrete acquisitions are identified.</p> <p>Develop and apply nine team incentives packages.</p>

SUMMARY OF APPROPRIATIONS

(Dollars in Thousands)

FUNDING LEVELS

Appropriation	<u>1997</u>	<u>1998</u>	<u>1999</u> <u>Estimate</u>	<u>Increase</u> <u>(Decrease)</u>
Salaries and Expenses	\$28,490	\$27,490	\$32,187	\$4,697
TOTAL APPROPRIATION	28,490	27,490	32,187	4,697
Transfer from AID (P.L. 87-95)	1,460	0	0	0
TOTAL BUDGET AUTHORITY	29,950	27,490	32,187	4,697

PERMANENT POSITIONS

Salaries and Expenses	249	249	271	22
Reimbursable	48	48	48	0
Working Capital Fund	585	588	605	17
Franchise Fund	41	41	41	0
Total	923	926	965	39

HIGHLIGHTS OF BUDGET CHANGES

APPROPRIATION: Salaries and Expenses

Summary of Requirements

	<u>Detailed</u>		<u>Summary</u>	
	<u>Perm Pos</u>	<u>Amount</u>	<u>Perm Pos</u>	<u>Amount</u>
1998 Enacted			249	\$27,490
Adjustments to Base				
<u>Adjustments</u>				
Continuation of 1998 operating level			0	2,000
<u>Other Changes</u>				
1998 Pay raise	0	\$27		
1999 Pay raise	0	413		
Payment to the Working Capital Fund	0	88		
Within-grade step increases	0	193		
Civil Service Retirement and Disability Fund	0	(21)		
Civil Service Retirement System(CSRS)	0	69		
Federal Employees' Retirement System(FERS)	0	(17)		
Thrift Savings Plan	0	(16)		
Federal Insurance Contributions Act (FICA) -OASDI	0	14		
Health insurance	0	16		
Employees' Compensation Fund	0	50		
Travel	0	5		
Rent payments to GSA	0	99		
GSA Security Surcharge	0	12		
Printing and reproduction	0	6		
Other services:				
Working Capital Fund	0	195		
Commerce Administrative Management System (CAMS)	0	126		
General Pricing Level Adjustment	0	28		
Subtotal, other cost changes			0	1,287
Less Amount Absorbed			0	(12)
TOTAL, ADJUSTMENTS TO BASE			0	3,275
1999 Base			249	30,765
Program Changes			22	1,422
1999 APPROPRIATION			271	32,187

Comparison by Activity

	<u>1998 Currently Avail.</u>		<u>1999 Base</u>		<u>1999 Estimate</u>		<u>Increase / Decrease</u>	
	<u>Perm Pos</u>	<u>Amount</u>	<u>Perm Pos</u>	<u>Amount</u>	<u>Perm Pos</u>	<u>Amount</u>	<u>Perm Pos</u>	<u>Amount</u>
DIRECT OBLIGATIONS								
Executive Direction	93	\$13,174	93	\$12,775	93	\$12,775	0	\$0
Departmental Staff Services	156	16,247	156	17,990	178	19,412	22	1,422
TOTAL DIRECT OBLIGATIONS	249	29,421	249	30,765	271	32,187	22	1,422
REIMBURSABLE OBLIGATIONS	48	47,000	48	47,000	48	47,000	0	0
TOTAL OBLIGATIONS	297	76,421	297	77,765	319	79,187	22	1,422
FINANCING								
Unobligated balance, start of year		(1,931)						
Offsetting collections from:								
Federal funds	(48)	(47,000)			(48)	(47,000)		
Subtotal, financing	(48)	(48,931)			(48)	(47,000)		
TOTAL, BUDGET AUTHORITY	249	27,490			271	32,187		

Highlights of Program Changes

	<u>Base</u>		<u>Increase / Decrease</u>	
	<u>Permanent Positions</u>	<u>Amount</u>	<u>Permanent Positions</u>	<u>Amount</u>
<u>Departmental Staff Services</u>	249	\$30,765	+22	+\$1,422

An increase of \$1.4 million reflects a transfer of the NOAA Systems Acquisition Office from NOAA to the General Administration account. The transfer of this office is intended to strengthen DOC's procurement and oversight functions.

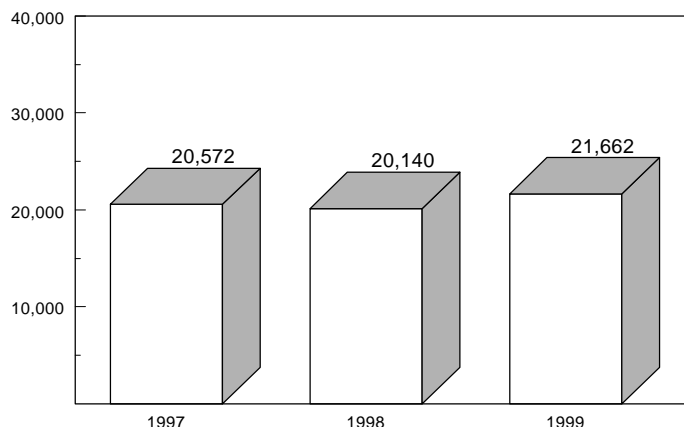
OFFICE OF THE INSPECTOR GENERAL

IG FUNDING

(Dollars in Thousands)

The Office of the Inspector General conducts audits, inspections and investigations to combat mismanagement, fraud, waste and abuse of Department resources, and to improve the efficiency and effectiveness of Commerce programs.

For FY 1997, the IG has achieved the following performance measures:



	1997	1998	1999
Questioned costs (thousands)	\$13,645	**	**
Value of recommendations this period that funds be put to better use (thousands)	\$343,342	**	**
Value of audit recommendations agreed to this period by management (thousands)	\$184,521	**	**
Number of Indictments.	1	**	**
Number of convictions.	1	**	**
Personnel/Administrative actions.*	39	**	**
Fines, court-ordered restitutions, civil recoveries and administrative recoveries (thousands)	\$396	**	**

* Includes debarments, suspensions, reprimands, demotions, resignations, dismissals, reassignments, and actions to recover funds, new procedures, and policy changes resulting from investigations.

** No specific values for these performance measures are projected for FY 1998 and FY 1999. The unique nature of Office of Inspector General responsibilities precludes the projection of subjective measures. The OIG will continue to report to Congress semi-annually on its activities, and will work with the President's Council on Integrity and Efficiency to develop government-wide performance measures for OIGs.

SUMMARY OF APPROPRIATIONS

(Dollars in Thousands)

FUNDING LEVELS

	1997	1998	1999 Estimate	Increase (Decrease)
Appropriation				
Inspector General	\$20,140	\$20,140	\$21,662	\$1,522
TOTAL APPROPRIATION	20,140	20,140	21,662	1,522
Transfer from PTO	432	0	0	0
TOTAL BUDGET AUTHORITY	20,572	20,140	21,662	1,522

PERMANENT POSITIONS

Inspector General	199	226	237	11
-------------------	-----	-----	-----	----

APPROPRIATION: Office of the Inspector General

Summary of Requirements

	<u>Detailed</u>		<u>Summary</u>	
	<u>Perm Pos</u>	<u>Amount</u>	<u>Perm Pos</u>	<u>Amount</u>
1998 Enacted			226	\$20,140
Adjustments to Base				
<u>Other Changes</u>				
1998 Pay raise	0	\$22		
1999 Pay raise	0	309		
Payment to the Working Capital Fund	0	11		
Within-grade step increases	0	116		
Civil Service Retirement and Disability Fund	0	(16)		
Civil Service Retirement System(CSRS)	0	66		
Federal Employees' Retirement System(FERS)	0	(38)		
Thrift Savings Plan	0	22		
Federal Insurance Contributions Act (FICA) -OASDI	0	19		
Health insurance	0	5		
Employees' Compensation Fund	0	19		
Rent payments to GSA	0	41		
GSA Security Surcharge	0	11		
Printing and reproduction	0	1		
Other services:				
Working Capital Fund	0	33		
Commerce Administrative Management System (CAMS)	0	117		
General Pricing Level Adjustment	0	63		
Subtotal, other cost changes			0	801
Less Amount Absorbed			0	(279)
TOTAL, ADJUSTMENTS TO BASE			0	522
1999 Base			226	20,662
Program Changes			11	1,000
1999 APPROPRIATION			237	21,662

Comparison by Activity

	<u>1998 Currently Avail</u>		<u>1999 Base</u>		<u>1999 Estimate</u>		<u>Increase / Decrease</u>	
	<u>Perm Pos</u>	<u>Amount</u>	<u>Perm Pos</u>	<u>Amount</u>	<u>Perm Pos</u>	<u>Amount</u>	<u>Perm Pos</u>	<u>Amount</u>
DIRECT OBLIGATIONS								
Inspector General	226	\$20,572	226	\$20,662	237	\$21,662	11	\$1,000
TOTAL DIRECT OBLIGATIONS	226	20,572	226	20,662	237	21,662	11	1,000
REIMBURSABLE OBLIGATIONS	0	1,100	0	1,100	0	1,100	0	0
TOTAL OBLIGATIONS	226	21,672	226	21,762	237	22,762	11	1,000
FINANCING								
Unobligated balance, SOY		(432)						
Offsetting collections from:								
Federal funds	0	(1,100)			0	(1,100)		
Subtotal, financing	0	(1,532)			0	(1,100)		
TOTAL, APPROPRIATION	226	20,140			237	21,662		

Highlights of Program Changes

	<u>Permanent Positions</u>	<u>Base Amount</u>	<u>Increase / Decrease</u>	
			<u>Permanent Positions</u>	<u>Amount</u>
<u>Expansion of Audits of Advanced Technology</u>	226	\$20,622	+11	+\$1,000

The requested funding will provide resources necessary for the expansion of audits of the Advanced Technology Program.

ECONOMIC DEVELOPMENT ADMINISTRATION

The Economic Development Administration (EDA) provides a broad range of economic development funding and assistance to stimulate employment and increase income in distressed communities, promoting greater national productivity and balanced economic growth. EDA responds to community needs and priorities that create private sector jobs and leverage private capital. EDA carries out its economic development assistance program (EDAP) through a network of headquarters and regional personnel, working with local leaders to identify and fund high priority projects in the neediest communities.

EDA programs serve our nation's most distressed communities. In 1999, EDA **grants** will assist communities characterized by high unemployment, low growth rate, loss of jobs, out-migration, defense adjustment, and long-term economic deterioration. **EDA authorizing legislation** provides a range of tools to meet the needs of distressed communities. During the first session of the 105th Congress, the Administration submitted a legislative proposal to reauthorize EDA's programs.

Public Works grants support infrastructure projects that foster the establishment or expansion of industrial and commercial businesses, supporting the creation and retention of jobs.

Planning grants support the design and implementation of effective economic development policies and programs by local development organizations in states and communities.

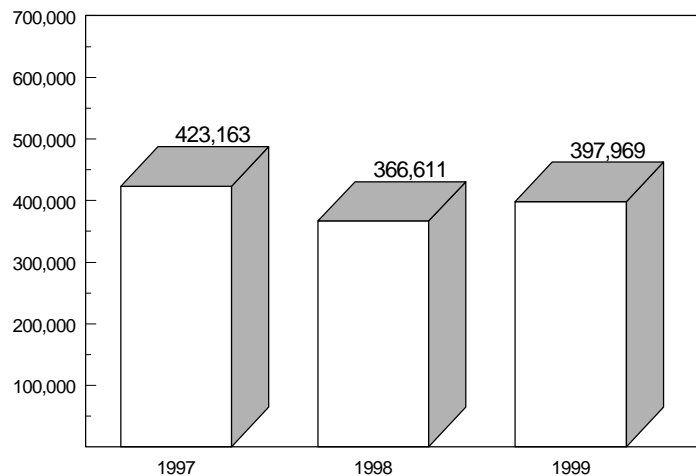
Technical Assistance grants provide technical information and expertise, and support feasibility and industry studies. In addition, EDA supports a nationwide network of 69 University Centers that integrate programs of higher education into the local community for the purpose of the purpose of promoting private sector job creation and economic development.

EDA's **Trade Adjustment Assistance Program** provides assistance to U.S. firms and industries injured as a result of international trade competition. EDA grants support a nationwide system of Trade Adjustment Assistance Centers strategically located to help firms and industries certified as having been injured by imports, develop and implement economic recovery strategies.

Economic Adjustment grants help communities adjust to a gradual erosion or a sudden downturn in

EDA FUNDING

(Dollars in Thousands)



economic conditions that can cause structural damage to the underlying economic base.

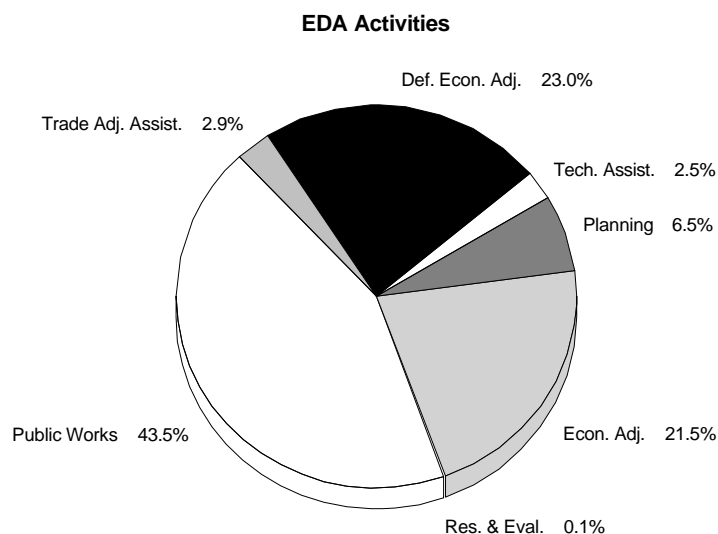
In FY 1999, EDA will establish an Office of Community and Economic Adjustment Assistance to coordinate Federal economic development programs and activities designed to assist localities experiencing major plant closings and/or adjusting to changing trade patterns.

Defense Economic Adjustment grants assist communities adversely affected by Department of Defense base closures and defense contract cutbacks as well as Department of Energy realignments. The EDA grants assist communities in rebuilding and diversifying their economic foundations. EDA is the only Federal agency that provides flexible discretionary funding to communities to implement plans to reuse Department of Defense bases.

Research, evaluation and demonstration funds are used to support both internal and external studies about the causes of economic distress and to seek solutions to counteract and prevent such problems. EDA continually evaluates the impact of its programs to identify policy and program modifications needed to improve effectiveness.

EDA's goal is to promote economic development in distressed areas, as measured by new private investment, new and saved jobs, and increased local tax bases, all geared towards increased productivity and global competitiveness.

As it strives to support this goal, EDA has begun a series of evaluations to gauge the effectiveness of its



efforts. The first evaluation, undertaken by Rutgers University, confirmed substantial, positive outcomes as a result of EDA investments.

The Rutgers study evaluated the performance of 205 EDA Public Works projects completed in 1990. The study, conducted during FY 1997, assessed project results six years after completion — at a point in maturity where outcomes have begun to develop. Results of the study include:

- for every \$1 million EDA invested, \$10.08 million in private sector dollars were leveraged;
- for every \$1 million EDA invested, the local tax base was increased by \$10.13 million; and,
- for every \$1 million EDA invested, each public works project produced 327 direct permanent jobs at a cost of \$3,058 per job.

The study found that EDA projects were awarded to industries and communities where levels of unemployment and percent of the population below the poverty level were 40% higher than state and national averages. These locations also experienced per capita income 40% lower than averages at the state and national levels.

EDA Performance Measures

For FY 1999, EDA will focus on the following performance measures, which represent a selection of EDA's complete portfolio of measures. EDA's performance measures apply to grants awarded since the beginning of FY 1997; the outcome of these grant awards will be fully realized, typically six to ten years after project completion. The projected outcomes shown below are for FY 1998 and FY 1999 appropriations, and will not be realized until FY 2007 and FY 2008, respectively.

Theme I: Economic Infrastructure	1998	1999
Goal: To stimulate the creation of private sector jobs. -Jobs created and/or retained. (Public Works and Infrastructure Development Program)	40,500 direct 6,000 nonproject <u>7,500 indirect</u> 54,000 jobs	36,500 direct 5,500 nonproject <u>7,000 indirect</u> 49,000 jobs
-Private dollars invested in EDA projects. (Public Works and Infrastructure Development Program)	\$1.3 billion	\$1.0 billion
Theme II: Science and Technology		
Goal: To use technology as an economic development tool. -Extent of community participation. (Planning Program)	8.5*	8.5*
Theme III: Resource and Asset Management		
Goal: To achieve long-term economic recovery from natural disasters. -Impact of feasibility study conducted. (Technical Assistance Program)	8.7*	8.7*

*(Based on a grantee self evaluation, where 10.0 is the best score.)

SUMMARY OF APPROPRIATIONS

(Dollars in Thousands)

FUNDING LEVELS

Appropriation	<u>1997</u>	<u>1998</u>	<u>1999</u> <u>Estimate</u>	Increase <u>(Decrease)</u>
Salaries and Expenses	\$20,036	\$21,028	\$29,590	\$8,562
EDAP	405,700	340,000	368,379	28,379
TOTAL APPROPRIATION	425,736	361,028	397,969	36,941
Transfers To:				
EDA S&E from EDAP (P.L. 104-208)	2,000			
EDA S&E from Revolving Fund (P.L. 104-208)	200			
Transfers From:				
EDAP to EDA S&E (P.L. 104-208)	(2,000)			
Revolving Fund to: (P.L. 104-208)				
NOAA, ORF	(1,800)			
EDA S&E	(200)			
NTIA, S&E	(773)			
Permanent Appropriation per Federal Credit Reform Act (P.L. 105-33)	0	5,583	0	(5,583)
TOTAL BUDGET AUTHORITY	423,163	366,611	397,969	31,358
PERMANENT POSITIONS				
Salaries and Expenses	253	253	278	25
EDAP	7	7	7	0
Total	260	260	285	25

HIGHLIGHTS OF BUDGET CHANGES

APPROPRIATION: Salaries and Expenses

Summary of Requirements

	<u>Detailed</u>		<u>Summary</u>	
	<u>Perm Pos</u>	<u>Amount</u>	<u>Perm Pos</u>	<u>Amount</u>
1998 Enacted			253	\$21,028
Adjustments to Base				
Adjustments				
Continuation of 1998 operating level			0	3,000
<u>Other Changes</u>				
1998 Pay raise	0	\$18		
1999 Pay raise	0	392		
Payment to the Working Capital Fund	0	18		
Within-grade step increases	0	112		
Civil Service Retirement and Disability Fund	0	(21)		
Civil Service Retirement System(CSRS)	0	179		
Federal Employees' Retirement System(FERS)	0	(75)		
Thrift Savings Plan	0	(7)		
Federal Insurance Contributions Act (FICA) -OASDI	0	(25)		
Health insurance	0	16		
Employees' Compensation Fund	0	(60)		
Travel	0	18		
Rent payments to GSA	0	67		
GSA Security Surcharge	0	47		
Printing and reproduction	0	2		
Other services:				
Working Capital Fund	0	18		
Commerce Administrative Management System (CAMS)	0	108		
General Pricing Level Adjustment	0	52		
Subtotal, other cost changes			0	859
TOTAL, ADJUSTMENTS TO BASE			0	3,859
1999 Base			253	24,887
Program Changes			25	4,703
1999 APPROPRIATION			278	29,590

Comparison by Activity

	1998 Currently Avail		1999 Base		1999 Estimate		Increase / Decrease	
	Perm Pos	Amount	Perm Pos	Amount	Perm Pos	Amount	Perm Pos	Amount
DIRECT OBLIGATIONS								
Salaries and expenses	253	\$24,608	253	\$24,887	278	\$29,590	25	4,703
TOTAL DIRECT OBLIGATIONS	253	24,608	253	24,887	278	29,590	25	4,703
REIMBURSABLE OBLIGATIONS	7	2,351	7	760	7	760	0	0
TOTAL OBLIGATIONS	260	26,959	260	25,647	285	30,350	25	4,703
FINANCING								
Unobligated balance, start of year		(3,580)						
Offsetting collections from:								
Federal funds	0	(2,351)			0	(760)		
Subtotal, financing	0	(5,931)			0	(760)		
TOTAL, BUDGET AUTHORITY	260	21,028			285	29,590		

Highlights of Program Changes

	<u>Base</u>		<u>Increase / Decrease</u>	
	Permanent Positions	Amount	Permanent Positions	Amount
<u>Salaries and Expenses</u>	260	\$24,887	25	+\$4,703

An increase is requested in Salaries and Expenses to fully fund through regular appropriations the agency's current programs and to provide adequate staffing for new responsibilities in community and economic adjustment and disaster assistance (+25 pos.; \$4,703). Increased staffing is further necessitated by appropriations increases since FY 1993 in response to natural disasters and defense downsizing which have created an extensive portfolio of more than 2,000 active, open economic development projects valued at about \$1.0 billion. Additional staff are also required to support the Administration's Natural Disaster Reduction Initiative, to staff EDA's new Office of Community and Economic Adjustment Assistance and to support efforts in Brownfields redevelopment. In addition, staffing for the new office will be augmented with FTEs to be transferred to EDA from the Department of Defense's Office of Economic Adjustment.

APPROPRIATION: Economic Development Assistance Programs

Summary of Requirements

	<u>Summary</u>	
	Perm Pos	Amount
1998 Enacted	0	\$340,000
Adjustments to Base		
1999 Base	0	340,000
Program Changes	0	28,379
1999 APPROPRIATION	0	368,379

Comparison by Activity

	<u>1998 Currently Avail</u>		<u>1999 Base</u>		<u>1999 Estimate</u>		<u>Increase / Decrease</u>	
	<u>Perm Pos</u>	<u>Amount</u>	<u>Perm Pos</u>	<u>Amount</u>	<u>Perm Pos</u>	<u>Amount</u>	<u>Perm Pos</u>	<u>Amount</u>
DIRECT OBLIGATIONS								
Public works	0	\$178,000	0	\$178,000	0	\$160,200	0	(\$17,800)
Planning	0	24,002	0	24,000	0	24,000	0	0
Technical assistance	0	9,100	0	9,100	0	9,100	0	0
Research and evaluation	0	861	0	500	0	500	0	0
Trade adjustment assistance	0	9,500	0	9,500	0	10,500	0	1,000
Economic adjustment	0	30,384	0	29,900	0	79,279	0	49,379
Defense economic adjustment	0	89,023	0	89,000	0	84,800	0	(4,200)
Hurricanes Andrew/Fran/Hortense	0	17,809	0	0	0	0	0	0
1996 Floods	0	1,024	0	0	0	0	0	0
Upper Midwest Floods	0	39,718	0	0	0	0	0	0
Tri-state floods	0	1,225	0	0	0	0	0	0
TOTAL DIRECT OBLIGATIONS	0	400,646	0	340,000	0	368,379	0	28,379
REIMBURSABLE OBLIGATIONS	0	12,090	0	500	0	500	0	0
TOTAL OBLIGATIONS	0	412,736	0	340,500	0	368,879	0	28,379
FINANCING								
Unobligated balance, start of year		(60,322)						
Recoveries		(324)						
Offsetting collections from:								
Federal funds	0	(12,090)			0	(500)		
Subtotal, financing	0	(72,736)			0	(500)		
TOTAL, BUDGET AUTHORITY	0	340,000			0	368,379		

Highlights of Program Changes

	<u>Base</u>		<u>Increase / Decrease</u>	
	<u>Permanent Positions</u>	<u>Amount</u>	<u>Permanent Positions</u>	<u>Amount</u>
<u>EDAP</u>	0	\$340,000	0	+\$28,379

A net increase of \$28,379 is requested for EDA's grant programs. The changes allow EDA to focus resources on communities suffering from natural disasters, major plant closings, international trade impacts, and continued economic change. Programmatic increases include (0 pos.; +\$49,379) in the Economic Adjustment Program to support communities adversely impacted by major plant closings, changing trade patterns, and natural disasters, and (0 pos.; \$1,000) in the Trade Adjustment Assistance Program to provide continued support of a nationwide network of 12 Trade Adjustment Assistance Centers that assist trade injured firms in regaining the ability to compete in the global marketplace. Decreases in Public Works (0 pos.; -\$17,800) and Defense Economic Conversion (0 Pos.; -\$4,200) are included to provide a balanced national program within available resources. The decreases will not hinder EDA program effectiveness or delivery.

BUREAU OF THE CENSUS

The Census Bureau's mission is to collect and provide high quality statistics about the American people and economy. To deliver high value, the Bureau must target measurement on those trends and segments of our population and economy most critical to continued American success and prosperity.

The **Salaries and Expenses** appropriation provides for monthly, quarterly and annual surveys, and other programs which require a constant annual funding level. The Bureau's current population and housing surveys and analysis provide detailed and integrated information on the social, demographic, economic and housing conditions of the U.S. These programs are used for planning by both the public and private sectors.

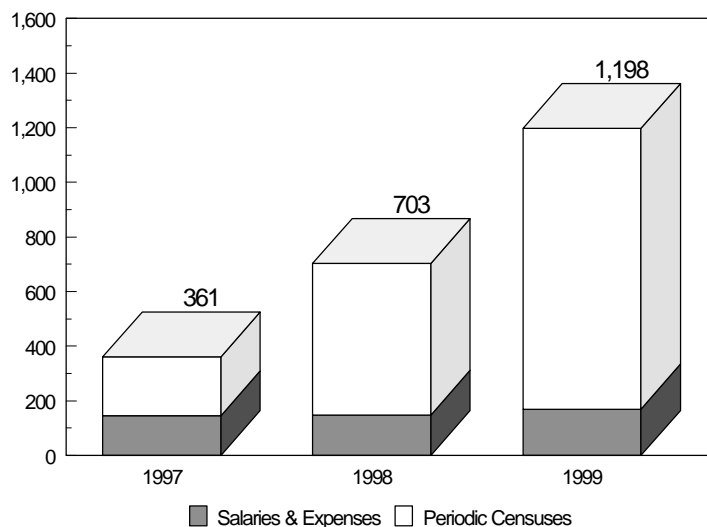
The **Survey of Program Dynamics (SPD)** was established and funded through mandatory appropriations by the Personal Responsibility and Work Opportunity Reconciliation Act of FY 1996 (P.L. 104-193). The SPD provides policy makers with socioeconomic data on the impact of the welfare provisions of the Act.

The **Periodic Censuses and Programs** appropriation funds the decennial census conducted every ten years, the economic censuses and the census of governments which are conducted every five years, as well as other programs which are conducted on a cyclical nature.

The **Working Capital Fund** is a non appropriated account used to finance services within the Census Bureau. These services are more efficiently performed on a centralized basis and include reimbursable work Census performs for other Federal agencies, state and local governments, foreign governments and the private sector.

CENSUS FUNDING

(Dollars in Millions)



Strategic Plan and Performance Measures

Census supports two strategic themes of the Department of Commerce. **Economic Infrastructure** includes the Census goal to improve national and local census and survey data through better business practices and public cooperation. **Science/Technology Information** includes the Census goal to provide products and services of greater value and satisfaction to national and local information customers. Specific performance measures for major programs are shown in the table below. Additionally, the overall goal of the current Census 2000 Plan is to increase census accuracy by reducing the undercount of population segments traditionally undercounted, from 1.6 percent in 1990 to virtually zero for 2000.

	1997	1998	1999
Current Economic Statistics			
Convert surveys to North American Industry Classification System (NAICS)			
- # of Surveys Converted	0	1	100
- % of Surveys Converted	0%	<1%	70%
- % of Business Register Converted (7 million establishments)	0%	0%	100%
Release of Principal Federal Economic Indicators			
- # of Monthly Releases	10	10	10
- # of Quarterly Releases	3	3	3

	1997	1998	1999
Current Demographic Statistics Describe Economic Status of all U.S. Households (# of Data Releases): Maintain cross-sectional household survey response rates (Acceptable range):	16 93%	16 91-95%	16 91-95%
Economic Census Release NAICS-based reports: - Number of Reports - % Released	0 0%	0 0%	200 50%
Decennial Census Net Undercount - Establish Processing Centers (#) - Establish Regional Census Centers (#) - Canvass 94 million City Style Addresses (% Completed) - Canvass 24 million Non-City Style Addresses (% Completed) - Establish Field Partnerships (% of total plan) - Print Census Forms (% of total plan)	<u>1990 Actual</u> 1.6% 0 0 0% 0% 3% -	<u>2000 Plan</u> 0.1% 1 12 0% 25% 42% -	4 12 100% 100% 89% 100%
Continuous Measurement Maintain American Community Survey final response rate in acceptable range while opening additional survey sites - # of Sites - Response Rate Range	8 98%	9 95-98%	37 95-98%

SUMMARY OF APPROPRIATIONS

(Dollars in Thousands)

FUNDING LEVELS

Appropriation	<u>1997</u>	<u>1998</u>	<u>1999</u> <u>Estimate</u>	Increase (Decrease)
Salaries and Expenses	\$135,000	\$137,278	\$160,102	\$22,824
Periodic Censuses and Programs	210,500	555,813	1,027,784	471,971
TOTAL DISCRETIONARY APPROPRIATION	345,500	693,091	1,187,886	494,795
Transfer from NOAA-ORF (P.L. 104-208)	5,700	0	0	0
Permanent Appropriation				
Survey of Program Dynamics	10,000	10,000	10,000	0
TOTAL PERMANENT APPROPRIATION	10,000	10,000	10,000	0
TOTAL BUDGET AUTHORITY	361,200	703,091	1,197,886	494,795

PERMANENT POSITIONS

Salaries and Expenses	1,538	1,795	2,475	680
Periodic Censuses and Programs	1,854	3,598	4,985	1,387
Total, Discretionary	3,392	5,393	7,460	2,067
Total, Mandatory	81	75	96	21
Reimbursable	1,331	0	0	0
Working Capital Fund	0	1,551	1,551	0
Total	4,804	7,019	9,107	2,088

HIGHLIGHTS OF BUDGET CHANGES

APPROPRIATION: Salaries and Expenses

Summary of Requirements

	<u>Detailed</u>		<u>Summary</u>	
	<u>Perm Pos</u>	<u>Amount</u>	<u>Perm Pos</u>	<u>Amount</u>
1998 Enacted			1,795	\$137,278
Adjustments to Base				
<u>Adjustments</u>				
FTE / Permanent positions adjustment			404	0
<u>Other Changes</u>				
1998 Pay raise	0	\$123		
1999 Pay raise	0	2,168		
Payment to the Working Capital Fund	0	55		
Within-grade step increases	0	793		
Civil Service Retirement and Disability Fund	0	(156)		
Civil Service Retirement System(CSRS)	0	500		
Federal Employees' Retirement System(FERS)	0	(71)		
Thrift Savings Plan	0	30		
Federal Insurance Contributions Act (FICA) -OASDI	0	111		
Health insurance	0	128		
Employees' Compensation Fund	0	(414)		
Travel	0	34		
Rent payments to GSA	0	189		
GSA Security Surcharge	0	153		
Printing and reproduction	0	35		
Other services:				
Working Capital Fund	0	653		
Commerce Administrative Management System (CAMS)	0	(662)		
General Pricing Level Adjustment	0	854		
Subtotal, other cost changes			0	4,523
TOTAL, ADJUSTMENTS TO BASE			404	4,523
1999 Base			2,199	141,801
Program Changes			276	18,301
1999 APPROPRIATION			2,475	160,102

Comparison by Activity

	<u>1998 Currently Avail</u>		<u>1999 Base</u>		<u>1999 Estimate</u>		<u>Increase / Decrease</u>	
	<u>Perm Pos</u>	<u>Amount</u>	<u>Perm Pos</u>	<u>Amount</u>	<u>Perm Pos</u>	<u>Amount</u>	<u>Perm Pos</u>	<u>Amount</u>
DIRECT OBLIGATIONS								
Current surveys and statistics								
Current economic statistics	1,027	\$85,699	1,262	\$88,492	1,504	\$102,277	242	\$13,785
Current demographic statistics	721	48,097	890	49,704	924	54,220	34	4,516
Survey development & data serv.	47	3,482	47	3,605	47	3,605	0	0
Subtotal, Discretionary Obligations	1,795	137,278	2,199	141,801	2,475	160,102	276	18,301
Survey of Program Dynamics	75	10,000	96	10,000	96	10,000	0	0
TOTAL DIRECT OBLIGATIONS	1,870	147,278	2,295	151,801	2,571	170,102	276	18,301
FINANCING								
Offsetting collections from:								
Federal funds	0	0			0	0		
Non-Federal sources	0	0			0	0		
Subtotal, financing	0	0			0	0		
Less Permanent Appropriation	(75)	(10,000)			(96)	(10,000)		
TOTAL, DISCRETIONARY BUDGET AUTHORITY	1,795	137,278			2,475	160,102		

Highlights of Program Changes

	<u>Base</u>		<u>Increase/Decrease</u>	
	<u>Permanent Positions</u>	<u>Amount</u>	<u>Permanent Positions</u>	<u>Amount</u>
<u>Current Economic Statistics</u>	1,262	\$88,492	+242	+\$13,785

The Current Economic Statistics program will incorporate the North American Industry Classification System (NAICS) into all Census Bureau economic data. The industrial classification system has not been so thoroughly revamped since the 1930's. With current outdated categories, analysts cannot properly monitor areas like the faster growing high-technology and service sectors properly. NAICS is being implemented in the 1997 Economic Census, the benchmark data for the current surveys. To maintain the consistency and relevance of all economic statistics, the more than 100 current economic surveys must also be overhauled to incorporate the NAICS standard. (+61 pos; +\$4,346).

An initiative will be conducted in collaboration with the Bureau of Economic Analysis to remedy deficiencies in Gross Domestic Product (GDP) source data by increasing coverage of services to include the information and financial sectors, and provide more detailed measures and financial data; for selected industries, providing annual estimates for construction industries and improved coverage of nonresidential reconstruction; and much needed information on state and local government expenditures and investments (+181 pos; +\$9,439)

<u>Current Demographic Statistics</u>	890	49,704	+34	+4,516
---------------------------------------	-----	--------	-----	--------

The initiative to Improve Measurement of Poverty will implement new measures of poverty as recommended by the National Academy of Sciences in 1995 and endorsed by the OMB's Office of Statistical Policy. The concepts that underlie the current measure of poverty are more than 30 years old and focus on pretax cash income. Since then, programs not captured by the current official measure of poverty have begun or expanded, including income tax credits and non-cash benefits such as food stamps and housing assistance.

APPROPRIATION: Periodic Censuses and Programs

Summary of Requirements

	<u>Detailed</u>		<u>Summary</u>	
	<u>Perm Pos</u>	<u>Amount</u>	<u>Perm Pos</u>	<u>Amount</u>
1998 Enacted			3,598	\$555,813
Adjustments to Base				
<u>Adjustments</u>				
FTE / Permanent positions adjustment			402	0
<u>Other Changes</u>				
1998 Pay raise	0	\$80		
1999 Pay raise	0	1,862		
Within-grade step increases	0	2,234		
Civil Service Retirement and Disability Fund	0	(87)		
Civil Service Retirement System(CSRS)	0	431		
Federal Employees' Retirement System(FERS)	0	(61)		
Thrift Savings Plan	0	26		
Federal Insurance Contributions Act (FICA) -OASDI	0	95		
Health insurance	0	117		
Employees' Compensation Fund	0	(458)		
Travel	0	18		
Rent payments to GSA	0	146		
Printing and reproduction	0	47		
General Pricing Level Adjustment	0	1,236		
Subtotal, other cost changes			0	5,686
Less Amount Absorbed			0	(1,659)
TOTAL, ADJUSTMENTS TO BASE			402	4,027
1999 Base			4,000	559,840
Program Changes			985	479,944
TOTAL REQUIREMENTS			4,985	1,039,784
Recoveries from prior year obligations			0	(12,000)
1999 APPROPRIATION			4,985	1,027,784

Comparison by Activity

	1998 Currently Avail		1999 Base		1999 Estimate		Increase / Decrease	
	Perm Pos	Amount	Perm Pos	Amount	Perm Pos	Amount	Perm Pos	Amount
DIRECT OBLIGATIONS								
Economic statistics programs:								
Economic censuses	887	\$65,820	1,074	\$65,473	429	\$52,362	(645)	(\$13,111)
Census of governments	46	2,919	36	2,929	38	4,607	2	1,678
Subtotal, Economic statistics	933	68,739	1,110	68,402	467	56,969	(643)	(11,433)
Demographic statistics programs:								
Intercensal demographic estimates	49	5,366	51	5,342	51	5,342	0	0
2000 Decennial census	1,739	391,107	1,897	389,887	3,115	856,257	1,218	466,370
Subtotal, Demographic statistics	1,788	396,473	1,948	395,229	3,166	861,599	1,218	466,370
Continuous measurement	238	17,172	348	17,230	732	38,833	384	21,603
Sample redesign	25	3,927	36	3,955	52	6,000	16	2,045
Electronic Information Collection	44	6,175	45	6,161	64	8,914	19	2,753
Geographic support	570	44,241	513	44,073	504	42,679	(9)	(1,394)
Data processing system	0	25,157	0	24,790	0	24,790	0	0
TOTAL DIRECT OBLIGATIONS	3,598	561,884	4,000	559,840	4,985	1,039,784	985	479,944
FINANCING								
Unobligated balance, start of year	0	(1,171)	0	0	0	0	0	0
Recovery of prior obligations	0	(4,900)	0	(12,000)	0	(12,000)	0	0
Subtotal, financing	0	(6,071)	0	(12,000)	0	(12,000)	0	0
TOTAL, BUDGET AUTHORITY	3,598	555,813	4,000	547,840	4,985	1,027,784	985	479,944

Highlights of Program Changes

	<u>Base</u>		<u>Increase / (Decrease)</u>	
	Permanent Positions	Amount	Permanent Positions	Amount
<u>Economic Census</u>	1,074	\$65,473	-645	-\$13,111

The Economic Census is the foundation of all Federal economic statistics. The census benchmarks national statistical profiles that show economic and household trends. FY 1999 marks the transition from data collection to processing core data and releasing the first reports from the 1997 Economic Census. The Bureau will begin the release of more than 500 industry, geographic, and special Economic Census products, including data products using the new North American Industry Classification System (NAICS).

<u>Census of Governments</u>	36	2,929	+2	+1,678
------------------------------	----	-------	----	--------

The Census of Governments is the only source of comprehensive and uniformly classified data about the economic activities of state and local governments. The census provides performance benchmarks and shows economic trends and general financial health and stability of those governments. FY 1999 marks the transition from data collection to the completion of data processing and tabulation, and the release of 1997 Census of Governments reports on 91,000 governments across the country.

<u>Decennial Census</u>	1,897	389,887	+1,218	+466,370
-------------------------	-------	---------	--------	----------

As mandated by the Constitution, the Decennial Census provides the official population counts for determining the number of seats in the U.S. House of Representatives and for determining how the districts are defined for those seats. The Decennial Census provides detailed information on small areas and population groups that are used by state and local governments, business and private citizens for planning activities. Census data is also used by Federal agencies to implement programs and to distribute over \$100 billion in Federal funds each year.

FY 1999 is the critical year of preparation for Census 2000 as several preparatory activities need to be completed,

including: completing all address listing work; setting up the field infrastructure; printing questionnaires, and developing and manufacturing the hardware and software for our data capture system. Funding in the request assumes the use of sampling in the 2000 Census. Funding is also requested for planning and testing census methodologies and acquiring additional field offices in compliance with the Administration's agreement with Congress to maintain "two tracks" and allow for a final decision on the use of sampling by March 1, 1999. The Administration has not included additional funding for non-sampling census activities because that funding is not required by the agreement. The Administration remains fully committed to the use of sampling in the decennial census. Without sampling, the cost of the decennial census will increase and its accuracy, especially with regard to groups that are traditionally undercounted, will decrease.

<u>Demographic Surveys Sample Redesign</u>	36	3,955	+16	+2,045
--	----	-------	-----	--------

The Demographic Surveys Sample Redesign program creates new, updated samples for the major recurring household surveys to enhance the accuracy of and confidence in Federal indicators. In FY 1999 the Bureau will develop innovative procedures to add new housing units to the Master Address File (MAF), implement an effective method to ensure the completeness of the MAF between censuses, research ways that the MAF can improve sample redesign, and work with the federal agencies who sponsor these surveys to develop basic redesign parameters. The funding for this program will be transferred to the sponsoring agencies in FY 2000. It is essential that the full funding be provided in FY 1999 so that this transition can be effectively planned and implemented.

<u>Continuous Measurement</u>	348	17,230	+384	+21,603
-------------------------------	-----	--------	------	---------

The American Community Survey (ACS) is the name of the survey instrument used to implement this major innovation that will revolutionize the Federal statistical system. The ACS will provide nationally comparable and consistent community based data on an annual basis. This data is currently collected only once every ten years through the Decennial Census. The ACS will allow the Decennial Census long form to be discontinued in 2010 and assure that this critical information is accurate and updated more frequently than every 10 years. This information is essential for efficiently and accurately distributing federal funds to states through block grants, and then assisting them in measuring the performance of federally funded programs to assure the dollars are well spent. FY 1999 funds will provide for the shift from testing and evaluation to increasing the scale of data collection (from 9 to 37 sites) and analysis in preparation for comparing Continuous Measurement data to Census 2000 data. The Bureau will continue the research and analysis of ACS data, including detailed analysis of multi-year changes in population and housing profiles for the existing sites. Census still plans to benchmark the program against the 2000 decennial census thus allowing the elimination of the decennial census long form in 2010.

<u>Electronic Information Collection</u>	45	6,161	+19	+2,753
--	----	-------	-----	--------

The Electronic Information Collection program develops the ability of the Bureau to use automation and telecommunications to integrate the collection, capture, processing, and dissemination of data. In FY 1999 the Bureau will begin implementation of the new International Trade Data System (ITDS) to facilitate the electronic exchange of trade data among Federal agencies and eliminate redundant data collections. This system will significantly reduce the reporting burden imposed on the business community.

<u>Geographic Support</u>	513	44,073	-9	-1,394
---------------------------	-----	--------	----	--------

The Geographic Support program develops the geographic and address infrastructure that provides the basic maps, reference files, and associated processing systems needed to meet the requirements of the Bureau. The work of this program is inextricably linked to the success of Census 2000. In FY 1999 the Bureau will update the MAF and link it to the Topologically Integrated Geographic Encoding and Referencing System (TIGER) data base. The Bureau will expand partnerships with state, local, and tribal agencies and acquire replacement hardware to process the TIGER data base and the MAF. It will also ensure the quality of the MAF through a field quality check.

ECONOMIC AND STATISTICAL ANALYSIS

Economic and Statistical Analysis (ESA) provides a wide range of economic statistics and analyses that describe the U.S. economy:

The Bureau of Economic Analysis (BEA) is the Nation's economic accountant, integrating and interpreting large volumes of diverse data to draw a comprehensive picture of U.S. economic activity. BEA's national, regional, and international economic accounts provide information on economic growth, regional development, and the Nation's position in the world economy. The economic accounts are a major component of the Federal statistical system and are critical for understanding the workings of the U.S. economy.

The Economics and Statistics Administration's Headquarters performs analysis of the American and world economies and of the various sectors of the U.S. economy to inform forecasting, policy analysis and decision-making. ESA also includes STAT-USA (funded through an ESA revolving Fund) which uses cutting-edge technologies to deliver economic, business and trade-related data to customers around the country.

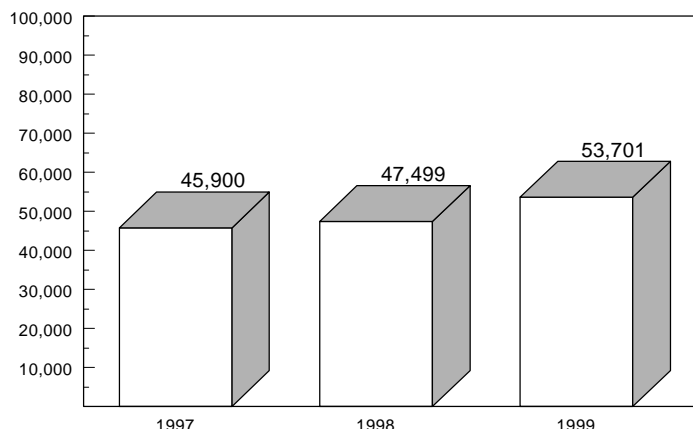
ESA has a series of performance measures and indicators that are used to assess their accomplishments vis-a-vis the program plans established in the strategic planning and budget processes. The following presentation provides only a brief overview and is not intended to cover every program activity in the Economic and Statistical Analysis budget. A more complete presentation is available in the Department's Strategic and Performance Plan, as well as in ESA's 1999 Congressional budget submission.

Data Quality

Working with data users, BEA conducted a Strategic Review to maintain and improve the quality of gross domestic product (GDP) and other economic accounts data. This review has specific milestones to develop new and improved measures of output and prices; better measures of investment, saving, and wealth; and improved measures of international transactions. In FY 1995 and 1996, BEA made a down payment on the most urgent priorities in its strategic review by reallocating resources from existing programs. As a result, BEA has made major improvements in all three subject areas outlined in the review and, using these same resources, continues to make progress on work already in the pipeline. However, BEA has had to postpone work on some of the ambitious new

ESA FUNDING

(Dollars in Thousands)



initiatives called for by the Review. As outlined in the table of performance measures presented below and in ESA's 1999 Congressional budget submission, the funding requested in FY 1999 would permit BEA to begin critically needed projects to further update and revamp the accounts. These projects include those designed to: reduce the statistical discrepancy in the accounts, eliminate biases in price and output measures of high-tech products, develop estimates of the nation's investment in computer software, fill gaps in coverage of international trade and finance, and address a number of other key projects outlined in the Bureau's strategic review.

Customer Service

On BEA's latest Customer Satisfaction Survey, over 87 percent of respondents rated BEA's information services and data products in the two highest categories for overall satisfaction (a mean score of 4.1 on a 5-point scale). However, BEA's customers also expressed their desire for enhanced electronic data dissemination services. In response, BEA has moved to expand the information available on its own Internet home page, joined other statistical agencies in making some of the most frequently requested economic data accessible on the White House and FEDSTATS web sites, expanded the files available by subscription from STAT-USA, and released its first State Personal Income CD-ROM. In addition, BEA has implemented a new centralized order-processing operation that better serves customers' needs.

Computer Re-Engineering

In 1997, BEA retired its 1970s vintage mainframe computer after migrating all processing applications to its local area network. Although BEA has continued to build its new information technology architecture, only

limited systems re-engineering work has been accomplished. BEA has identified over 90 applications that require computer programming support, but due to budget constraints in FY 1998, limited re-engineering work will begin only on the most critical of those systems. Much of the re-engineering will be postponed

until FY 1999, when funding would be available under this budget request. When this work is completed, BEA analysts will have the analytical tools that take advantage of real time data manipulation to improve the accuracy, timeliness, comprehensiveness and accessibility of BEA data.

Theme 1: U.S. competitiveness in the global marketplace		Goal: Strengthen the public's understanding of the U.S. economy	
Measures	1997	1998	1999
New and improved measures of output (real GDP) and prices	<p>Extended BEA's new chain-weighted measures of output and prices to all 5 major economic accounts, including estimates of Gross State Product, National Wealth, GDP by Industry, and International Investment.</p> <p>Extended quality adjustments to another key high-tech product, telephone switching equipment.</p>	<p>Begin revising and updating estimation methods for components contributing to the \$100 billion statistical discrepancy between the product and income estimates of GDP.</p> <p>Extend quality adjustments to additional high-tech products, such as cellular phones and prepackaged software.</p>	<p>Develop updated source data and associated estimating methods for the 10 major product-side components and the 4 major income-side components accounting for the bulk of the statistical discrepancy.</p> <p>Develop new concepts and methods for measuring hard-to-measure goods and services, such as custom computer software and financial services.</p>
Better measures of investment, saving, and wealth	Developed updated depreciation and valuation methods that raised the estimate of the Nation's productive capital stock by 22 percent, or almost \$4 trillion.	Initiate research on developing regional capital stock estimates for all 50 states.	Develop estimates of the Nation's capital stock and investment in computer software. Such estimates will address much needed modernization in BEA's estimates used in analyzing productivity and the Nation's growth potential--and may add more than \$100 billion to our estimates of the Nation's capital stock.
Improved measures of international transactions	Incorporated first benchmark data on U.S. portfolio investment abroad in 50 years into balance of payments accounts; the updated sample and increased coverage resulted in raising the estimate of U.S. investment abroad by \$333 billion.	Publish results of benchmark survey on trade in 5 of the most important types of "affiliated" services.	Extend annual selected services surveys to collect key data quarterly on large and rapidly growing types of international trade, such as insurance, finance, transportation, computer and information services, and communication services.
News releases of BEA data	49	50	50

Theme 2: America competitive with cutting-edge science technology and an unrivaled information base		Goal: Provide economic data in the most accurate, timely, cost-effective, and accessible way	
Measures	1997	1998	1999
Increased accuracy, reliability, and timeliness across the national, regional, and international programs	Retired mainframe computer after migrating over 90 applications to local area network. 17,396 downloads of BEA data from the EBB	Re-engineer at least 20 of the highest priority computer applications to improve timeliness, quality, and accessibility of BEA's data by better utilizing new system capabilities. 23,650 downloads of BEA data from the EBB	Expedite re-engineering of remaining computer applications in priority order. 23,650 downloads of BEA data from the EBB
Theme 2: America competitive with cutting-edge science technology and an unrivaled information base		Goal: Provide information on economic events and the workings of the economy	
Provide information and guidance on pending economic policy decisions	50 analyses on near-term prospects and composition of economic activity in U.S.	50 analyses on near-term prospects and composition of economic activity in U.S.	50 analyses on near-term prospects and composition of economic activity in U.S.
Provide focal point for data dissemination: Internet subscriptions Internet site licenses	7,000 700	8,000 800	9,300 925

SUMMARY OF APPROPRIATIONS

(Dollars in Thousands)

FUNDING LEVELS

Appropriation	<u>1997</u>	<u>1998</u>	<u>1999</u> <u>Estimate</u>	Increase <u>(Decrease)</u>
Salaries and Expenses	\$45,900	\$47,499	\$53,701	\$6,202

PERMANENT POSITIONS

Salaries and Expenses	509	509	553	44
Reimbursable	18	18	18	0
Revolving Fund	21	16	35	19
Total	548	543	606	63

HIGHLIGHTS OF BUDGET CHANGES

APPROPRIATION: Salaries and Expenses

Summary of Requirements

	<u>Detailed</u>		<u>Summary</u>	
	<u>Perm Pos</u>	<u>Amount</u>	<u>Perm Pos</u>	<u>Amount</u>
1998 Enacted			509	\$47,499
Adjustments to Base				
<u>Other Changes</u>				
1998 Pay raise	0	\$78		
1999 Pay raise	0	725		
Payment to the Working Capital Fund	0	24		
Within-grade step increases	0	341		
Civil Service Retirement and Disability Fund	0	(44)		
Civil Service Retirement System(CSRS)	0	204		
Federal Employees' Retirement System(FERS)	0	(87)		
Thrift Savings Plan	0	1		
Federal Insurance Contributions Act (FICA) -OASDI	0	11		
Health insurance	0	30		
Employees' Compensation Fund	0	(82)		
Rent payments to GSA	0	137		
GSA Security Surcharge	0	71		
Printing and reproduction	0	7		
Other services:				
Working Capital Fund	0	48		
Commerce Administrative Management System (CAMS)	0	248		
General Pricing Level Adjustment	0	133		
Subtotal, other cost changes			0	1,845
Less Amount Absorbed			0	(175)
TOTAL, ADJUSTMENTS TO BASE			0	1,670
1999 Base			509	49,169
Program Changes			44	4,532
1999 APPROPRIATION			553	53,701

Comparison by Activity

	<u>1998 Currently Avail</u>		<u>1999 Base</u>		<u>1999 Estimate</u>		<u>Increase / Decrease</u>	
	<u>Perm Pos</u>	<u>Amount</u>	<u>Perm Pos</u>	<u>Amount</u>	<u>Perm Pos</u>	<u>Amount</u>	<u>Perm Pos</u>	<u>Amount</u>
DIRECT OBLIGATIONS								
Bureau of Economic Analysis	451	\$43,131	451	\$43,748	495	\$48,280	44	\$4,532
Policy Support	58	5,493	58	5,421	58	5,421	0	0
TOTAL DIRECT OBLIGATIONS	509	48,624	509	49,169	553	53,701	44	4,532
REIMBURSABLE OBLIGATIONS	34	2,373	34	2,445	34	2,445	0	0
TOTAL OBLIGATIONS	543	50,997	543	51,614	587	56,146	44	4,532
FINANCING								
Unobligated balance, start of year		(1,125)						
Offsetting collections from:								
Federal funds	(26)	(1,718)			(26)	(1,770)		
Non-Federal sources	(8)	(655)			(8)	(675)		
Subtotal, financing	(34)	(3,498)			(34)	(2,445)		
TOTAL, BUDGET AUTHORITY	509	47,499			553	53,701		

Highlights of Program Changes

	<u>Base</u>		<u>Increase / Decrease</u>	
	<u>Permanent Positions</u>	<u>Amount</u>	<u>Permanent Positions</u>	<u>Amount</u>
<u>Bureau of Economic Analysis and Policy Support</u>	509	\$49,169	+44	+\$4,532

Implementing BEA's Strategic Plan.--The dynamic economy of the 1990s, with its dramatic growth in information technology and services, has changed so rapidly that our data system has been unable to keep pace. Evidence of the serious gaps in our knowledge of how the economy is performing is the statistical discrepancy, which is the difference between GDP as measured by the final expenditures for goods and services produced by the U.S. economy and GDP as measured by the costs incurred and incomes earned in the production of those goods and services (also described as gross domestic income). In theory, these measures should be equal, but in recent years, the divergence between them has grown significantly. In 1999, BEA will focus on improving its economic accounts by updating and expanding the coverage of rapidly changing and hard-to-measure economic activities and, in light of changes in tax laws, by improving the conversion of payroll and income tax return data to match the accounting concepts used to measure gross domestic income.

Moving to a new computer environment.--Although BEA completed the migration from its aging mainframe computer to a new local area network (LAN) on schedule, the actual re-engineering of systems is still underway. In 1999, BEA will continue to re-engineer work processes on the LAN to take full advantage of the efficiencies of the new microcomputer environment. The new LAN and the re-engineered systems will improve the accuracy, reliability, and timeliness of BEA's data and will improve accessibility of the data to customers through expanded use of the Internet and other electronic gateways.

An increase of \$4.5 million is requested for FY 1999 to support improvements in the Bureau of Economic Analysis' economic accounts. This initiative will allow BEA to resume work on maintaining and improving GDP and its other economic accounts data at a pace closer to that originally called for in its Strategic Plan (+44 pos.;+\$3,194) and to implement its strategic plan for re-engineering its processes in an integrated microcomputer network environment (+0 pos.; +\$1,338).

INTERNATIONAL TRADE ADMINISTRATION

The International Trade Administration (ITA) strives to increase the competitiveness of U.S. business in the world economy by promoting U.S. exports, fighting unfair foreign trade barriers, and negotiating and implementing both multilateral and bilateral trade agreements. ITA objectives are accomplished through the following five program areas:

Trade Development (TD) is the home of the Advocacy Center and the Department's advocacy program on behalf of U.S. industry in the global competition for overseas contracts. Through such programs as the Trade Information Center (1-800-USA TRADE), TD uses its unique industry sector expertise to counsel American businesses and promote trade. TD is responsible for negotiating and enforcing industry sector trade agreements such as those on autos, textiles and aircraft.

Market Access and Compliance (MAC), formerly the Office of International Economic Policy, identifies market access barriers and the means to overcome them, assists in the formulation of U.S. bilateral and multilateral trade policies to achieve greater market access, and provides counseling and assistance to U.S. businesses seeking access to the markets of specific countries or regions. Through the newly-created Trade Compliance Center (TCC), ITA systematically monitors, investigates, and evaluates foreign compliance with multilateral, bilateral, and other international trade agreements.

Import Administration (IA) defends American firms from injurious practices by administering the U.S. antidumping and countervailing duty laws, in a manner consistent with U.S. international obligations.

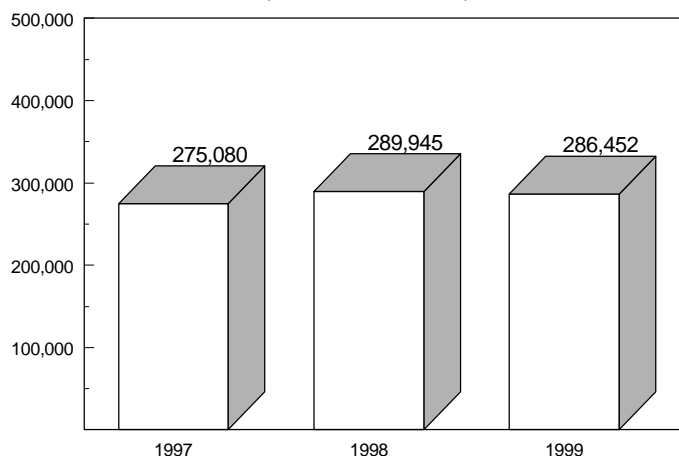
The United States and Foreign Commercial Service (US&FCS) provides export counseling and export promotion services to U.S. businesses, large and small, through a network of offices in 47 states, Puerto Rico and 70 foreign countries. The US&FCS develops and distributes information products and conducts trade shows and trade fairs overseas.

Administration and Executive Direction provides policy leadership and administrative services for ITA's four other subdivisions, including office automation and information technology support systems, human resources services, financial management, and general administrative assistance.

ITA supports two Departmental Strategic Themes. Economic Infrastructure includes ITA's goals of trade advocacy and promotion.

ITA FUNDING

(Dollars in Thousands)



Science/Technology/Information includes ITA's goals of expanding important trade information. The vast majority of ITA human and financial resources are dedicated to achieving the following five major strategic objectives:

1) Strengthen Trade Advocacy, Trade Promotion, and the Trade Promotion Coordinating Committee (TPCC) - Through the Advocacy Center, ITA leads the government-wide effort to develop and implement strategies to help U.S. firms win bids for major projects and commercial transactions in foreign markets. In FY 1999, ITA will continue to broaden the TPCC member agency involvement in advocacy activities. ITA also plans to continue to focus its activities on select trade promotion functions identified in the TPCC's "National Export Strategy."

2) Increase Trade Assistance Targeted to Small and Medium-sized Businesses (SMEs) - Through its network of domestic and overseas offices, ITA will work to raise export levels of SMEs by providing export assistance to SMEs who are new to exporting, helping firms that have already exported establish a presence in new markets or aid in expanding trade within existing markets.

3) More Closely Align Trade Objectives with U.S. Foreign Policy - Trade and investment flows can play a significant role in providing incentives for peace, prospects for sustained economic growth and political stability. ITA will continue its efforts to provide economic incentives to promote these ends.

4) Expand Trade Law Enforcement and Compliance Monitoring - In FY 1999, ITA will continue to vigorously

enforce the Nation's trade laws and ensure compliance with trade agreements through IA and the MAC. IA will continue to vigorously enforce the U.S. antidumping and countervailing duty laws, while the MAC will ensure market access and compliance with negotiated trade agreements by identifying, prioritizing and focusing on bilateral or multilateral market access problems.

5) Continued Emphasis on Trade with the "Big Emerging Markets" Without Losing focus on Mature Markets - ITA continues to emphasize field export development planning and initiatives in major emerging growth markets. In addition, ITA will focus on U.S. companies that are already exporting to Western Europe and Canada and assist them in expanding their markets.

For FY 1999, ITA has identified a series of

performance measures which can be used to assess the impact of its program activities. In addition, ITA is conducting, a study under the direction of OMB, that measures the impact of ITA's trade promotion programs on businesses that will provide measures of "additionality".

This list of measures focuses on ITA's priority programs and is not intended to cover every dollar in ITA's entire budget. In addition, the list of measures can be expected to evolve over time, as ITA, its programs, the Department of Commerce, and the Federal Government as a whole continue to refine and enhance their capacity to develop performance measures, to use performance measurement as a key management tool, and begin to implement the GPRA. Most measures cut across ITA organizational lines, and thus the list contains mostly functional (rather than organizational) activities. Measures to be used by ITA in FY 1999 include:

Activity / Measure	Output Measures		
	1997	1998	1999
<u>Negotiating Open Markets</u>			
Multi-Lateral Issues:			
- Meetings, Negotiations, Consultations	1,732	1,771	1,783
Bi-Lateral / Regional Issues			
- Disputes Addressed	853	1,703	3,215
<u>Information, Counseling, Export Assistance Service</u>			
- Counseling Sessions	534,903	363,762	378,279
- Clients	335,883	180,996	193,035
- # of Trade Events	1,265	1,263	1,263
- # of custom agency reports	9,271	8,400	8,700
<u>Advocacy</u>			
- Projects	590	650	700
- \$B in exports supported by Advocacy	\$6	\$10	\$12
<u>Develop Foreign Markets for U.S. Goods and Services</u>			
Market Development Cooperator Program			
- Cooperator Agreements	8	5	5
<u>Foreign Trade Zones</u>			
- Applications for new zones reviewed	84	100	115
<u>Trade Law Enforcement</u>			
- # of Petitioners Counseled	120	120	120
<u>Anti-Dumping / Countervailing Duty (AD/CVD):</u>			
- Investigations	11	11	11

Note: Many measures listed in prior years, such as gross exports supported, were found not to be as indicative of performance as initially thought and are being redefined in the new OMB/ITA additionality measurement effort.

SUMMARY OF APPROPRIATIONS

(Dollars in Thousands)

FUNDING LEVELS

	<u>1997</u>	<u>1998</u>	<u>1999</u> <u>Estimate</u>	<u>Increase</u> <u>(Decrease)</u>
Appropriation				
Operations and Administration	\$270,000	\$283,066	\$286,452	\$3,386
TOTAL APPROPRIATION	270,000	283,066	286,452	3,386
ICASS Transfer from State Department (P.L. 105-119)	0	6,879	0	(6,879)
Transfers from AID (P.L. 87-95)	5,855	0	0	0
Transfer to BXA (P.L. 104-208)	(775)	0	0	0
TOTAL BUDGET AUTHORITY	275,080	289,945	286,452	(3,493)
PERMANENT POSITIONS				
Operations and Administration	2,563	2,464	2,549	85
Reimbursable	30	30	30	0
Total	2,593	2,494	2,579	85

HIGHLIGHTS OF BUDGET CHANGES

APPROPRIATION: Operations and Administration

Summary of Requirements

	<u>Detailed</u>		<u>Summary</u>	
	<u>Perm Pos</u>	<u>Amount</u>	<u>Perm Pos</u>	<u>Amount</u>
1998 Enacted			2,464	\$283,066
Transfers				
Transfer from State Department			0	6,879
Adjustments to Base				
<u>Adjustments</u>				
Non-recurring items			0	(12,000)
<u>Other Changes</u>				
1998 Pay raise	0	\$154		
1999 Pay raise	0	2,715		
Payment to the Working Capital Fund	0	83		
Within-grade step increases	0	1,020		
Civil Service Retirement and Disability Fund	0	(127)		
Civil Service Retirement System(CSRS)	0	545		
Federal Employees' Retirement System(FERS)	0	(228)		
Thrift Savings Plan	0	16		

	<u>Detailed</u>		<u>Summary</u>	
	<u>Perm Pos</u>	<u>Amount</u>	<u>Perm Pos</u>	<u>Amount</u>
Federal Insurance Contributions Act (FICA) -OASDI	0	\$53		
Health insurance	0	86		
Employees' Compensation Fund	0	97		
Travel	0	185		
Rent payments to GSA	0	412		
GSA Security Surcharge	0	190		
Printing and reproduction	0	30		
Other services:				
Working Capital Fund	0	431		
Commerce Administrative Management System (CAMS)	0	(155)		
Overseas wage increases	0	794		
Overseas price increases	0	1,230		
General Pricing Level Adjustment	0	665		
Subtotal, other cost changes			0	8,196
Less Amount Absorbed			0	(939)
TOTAL, ADJUSTMENTS TO BASE			0	(4,743)
1999 Base			2,464	285,202
Program Changes			85	1,250
1999 APPROPRIATION			2,549	286,452

Comparison by Activity

	<u>1998 Currently Avail</u>		<u>1999 Base</u>		<u>1999 Estimate</u>		<u>Increase / Decrease</u>	
	<u>Perm Pos</u>	<u>Amount</u>	<u>Perm Pos</u>	<u>Amount</u>	<u>Perm Pos</u>	<u>Amount</u>	<u>Perm Pos</u>	<u>Amount</u>
DIRECT OBLIGATIONS								
Trade Development	435	\$59,114	444	\$47,325	444	\$48,325	0	\$1,000
Market Access and Compliance	206	26,796	197	17,779	229	20,379	32	2,600
Import Administration	311	28,863	311	29,447	344	31,047	33	1,600
U.S. & Foreign Commercial Service	1,369	178,829	1,369	178,736	1,389	174,786	20	(3,950)
Administration	143	11,700	143	11,915	143	11,915	0	0
TOTAL DIRECT OBLIGATIONS	2,464	305,302	2,464	285,202	2,549	286,452	85	1,250
REIMBURSABLE OBLIGATIONS	30	36,493	30	26,000	30	26,000	0	0
Reimbursable ITA Fee Proposal					0	6000	0	6,000
TOTAL OBLIGATIONS	2,494	341,795	2,494	311,202	2,579	318,452	85	7,250
FINANCING								
Unobligated balance, start of year		(25,850)						
Offsetting collections from:								
Federal funds	0	(6,800)			0	(6,800)		
Non-Federal sources	(30)	(19,200)			0	(19,200)		
ITA Fee Proposal	0	0			0	(6,000)		
Subtotal, financing	(30)	(51,850)			0	(32,000)		
TOTAL, BUDGET AUTHORITY	2,464	289,945			2,579	286,452		
Transferred from other accounts		(6,879)				0		
TOTAL APPROPRIATION	2,464	283,066			2,579	286,452		

Highlights of Program Changes

	<u>Base</u>		<u>Increase / Decrease</u>	
	<u>Permanent Positions</u>	<u>Amount</u>	<u>Permanent Positions</u>	<u>Amount</u>
<u>Trade Development</u>	444	\$47,325	0	+\$1,000

This increase will assist in implementing the recommendations of the White House Conference on Travel and Tourism and provide for the collection of comprehensive travel and tourism statistics as outlined in the U.S. National Tourism organization Act of 1996.

<u>Market Access and Compliance</u>	197	17,779	+32	+2,600
--	-----	--------	-----	--------

This increase responds to the rising demand from the USTR, as well as small and medium size firms, that timely market access analysis be available to help penetrate markets where bureaucratic barriers keep markets closed once visible trade barriers have been removed. (+24 pos.; +\$1,600). The increase will also allow the highly proven and successful Central and Eastern Europe Business Information Center (CEEBC), formerly funded by the Agency for International Development (AID), to continue (+8 pos.; +\$1,000).

<u>Import Administration</u>	311	29,447	+33	+1,600
-------------------------------------	-----	--------	-----	--------

This increase will enhance the vigorous enforcement of the antidumping (AD) and countervailing duty (CVD) laws by enabling the Import Administration to implement critical provisions contained in the recently enacted Uruguay Round Agreements Act. The requested resources will provide the balance of necessary funding requirements to meet the following new statutory requirements: processing of AD/CVD sunset reviews; establishment of a subsidies enforcement unit; and the processing of regular administrative reviews under strict statutory deadlines.

<u>United States Foreign & Commercial Service</u>	1,369	178,736	+20	-3,950
--	-------	---------	-----	--------

ITA will continue placing emphasis on the Big Emerging Markets without losing sight of mature markets by selectively staffing overseas offices in high growth areas where U.S. companies have the ability to capture a significant share of key growth markets (+20 pos.; +\$1,800). Conduct a re-engineering study of the Domestic Field Network to ensure that services provided and the system of delivery are the most effective and efficient in serving small and medium sized firms (0 pos.; +\$250). Following a study of existing fees in 1998, ITA will increase reimbursable collections in FY 1999, offsetting this funding reduction (-\$6,000) with increased service fees.

<u>Reimbursable ITA Fee Proposal</u>	[30]	[26,000]	[0]	[+6,000]
---	------	----------	-----	----------

ITA proposes increasing fees by \$6 million for services provided (e.g., export counseling; market research). This \$6 million would be returned to ITA to provide more efficient service delivery and target small and medium sized business. Also, ITA plans to study its current fee policy to determine the approximate costs to ITA (both direct and indirect) for providing each existing service or product. This would allow ITA to better evaluate its programs to better meet the needs of U.S. business.

BUREAU OF EXPORT ADMINISTRATION

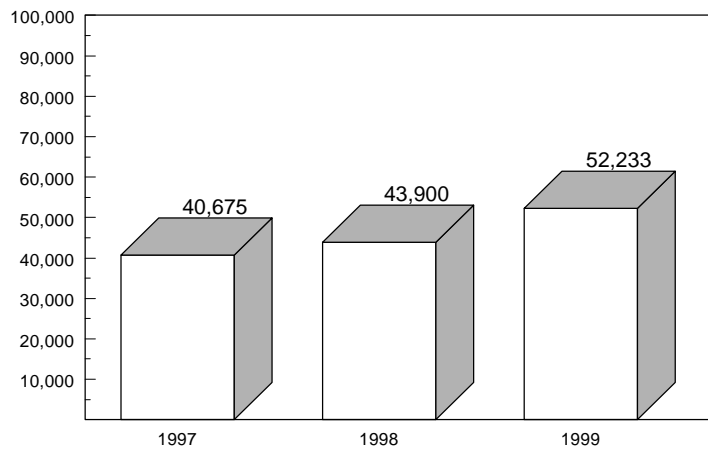
The Bureau of Export Administration's (BXA) responsibilities involve national security and nonproliferation, export growth, and promoting high technology. A continuing challenge is combating the proliferation of weapons of mass destruction while furthering the growth of U.S. exports which are critical to maintaining our leadership role in an increasingly competitive global economy.

BXA's principal activities include:

- Implementing the Export Administration Act (EAA). The EAA, which has expired and needs to be re-authorized, provides for export controls on dual-use goods and technology not only to fight proliferation, but also to pursue other national security, short supply, and foreign policy goals (such as combating terrorism). Simplifying and updating these controls in light of the end of the Cold War has been a major goal of this Administration.
- Enforcing the export control and anti-boycott provisions of the EAA, as well as ensuring compliance with treaties that impose requirements on U.S. industry. The most important such treaty is the Chemical Weapons Convention, which gave BXA new enforcement and outreach responsibilities. The EAA is enforced through a variety of administrative, civil, and criminal sanctions. The growing threat of proliferation of weapons of mass destruction to "pariah" nations and the evolution of our export licensing system towards a focus on individual end users necessitates the strengthening of BXA's enforcement staff.
- Analyzing and protecting the defense industrial and technology base, pursuant to the Defense Production Act and other laws. As the Defense Department increases its reliance on dual use high technology goods as part of its cost-cutting efforts, ensuring that we remain competitive in those sectors and sub-sectors is critical to our national security.
- Helping Ukraine, Kazakhstan, Belarus, Russia, and other newly emerging countries develop effective export control systems and dismantle their defense industries. The effectiveness of U.S. export controls can be

BXA FUNDING

(Dollars in Thousands)



severely undercut if other supplier nations are exporting sensitive goods and technology or permitting diversion of our exports.

BXA's two principal operating units, Export Administration (EA) and Export Enforcement (EE), as well as its Office of Administration, have undergone significant reorganization and downsizing in recent years to better meet the President's goals of reform and streamlining of the export control system, as recommended by the National Performance Review (NPR) and the Trade Promotion Coordinating Committee (TPCC). BXA is also an NPR Reinvention Laboratory.

Performance Measures

BXA supports two Commerce Strategic Themes. Economic Infrastructure includes BXA's goals of restructuring export controls, maintaining enforcement programs and transitioning defense industries. Science/Technology/Information includes BXA's goals of restructuring export controls and transitioning defense industries. For FY 1999, BXA has identified a series of performance measures which can be used to assess the impact of their program activities. This list of measures focuses on BXA's priority programs and thus is not intended to cover every dollar in BXA's entire budget. The list of measures can be expected to evolve over time, as BXA and its programs, the Department of Commerce, and the Federal Government as a whole, continue to refine and enhance their capacity to develop performance measures, to use performance measurement as a key management tool, and implement the GPRA. BXA performance measures, grouped by Departmental theme, include:

Theme: U.S. competitiveness in the global marketplace.

Goals and Outcome measures	1997	1998	1999
Restructure export controls: Applications processed within statutory time frames.	99.80%	98.00%	98.00%
Maintain enforcement programs: Investigations accepted for criminal/admin remedies.	60	66	73
Transition of defense industries: Facilitated exports (\$ billions)	\$2.3	\$5.0	\$5.0

Theme: American competitiveness through science, technology and an unrivaled information base.

Restructure export controls: Export control system elements established.	13	20	30
--	----	----	----

A more detailed presentation of goals, objectives, and performance measures is found in the Commerce Strategic Plan.

SUMMARY OF APPROPRIATIONS

(Dollars in Thousands)

FUNDING LEVELS

Appropriation	<u>1997</u>	<u>1998</u>	<u>1999</u> <u>Estimate</u>	<u>Increase</u> <u>(Decrease)</u>
Operations and Administration	\$39,900	\$43,900	\$52,233	\$8,333
TOTAL APPROPRIATION	39,900	43,900	52,233	8,333
Transfer from ITA (P.L. 104-208)	775	0	0	0
TOTAL BUDGET AUTHORITY	40,675	43,900	52,233	8,333

PERMANENT POSITIONS

Operations and Administration	349	391	440	49
Reimbursable	4	4	4	0
Total	353	395	444	49

HIGHLIGHTS OF BUDGET CHANGES

APPROPRIATION: Operations and Administration

Summary of Requirements

	<u>Detailed</u>		<u>Summary</u>	
	<u>Perm Pos</u>	<u>Amount</u>	<u>Perm Pos</u>	<u>Amount</u>
1998 Enacted			391	\$43,900
Adjustments to Base				
<u>Adjustments</u>				
FTE / Permanent positions adjustment for non-proliferation and counterterrorism			23	0
<u>Other Changes</u>				
1998 Pay raise	0	\$29		
1999 Pay raise	0	590		
Payment to the Working Capital Fund	0	30		
Full year cost in 1999 of positions financed for part year in 1998	0	644		
Within-grade step increases	0	227		
Civil Service Retirement and Disability Fund	0	(33)		
Civil Service Retirement System(CSRS)	0	168		
Federal Employees' Retirement System(FERS)	0	(8)		
Thrift Savings Plan	0	2		
Federal Insurance Contributions Act (FICA) -OASDI	0	18		
Health insurance	0	30		
Employees' Compensation Fund	0	(2)		
Rent payments to GSA	0	105		
GSA Security Surcharge	0	45		
Printing and reproduction	0	10		
Other services:				
Working Capital Fund	0	44		
General Pricing Level Adjustment	0	133		
Subtotal, other cost changes			0	2,032
Less Amount Absorbed			0	(251)
TOTAL, ADJUSTMENTS TO BASE			23	1,781
1999 Base			414	45,681
Program Changes			26	6,552
1999 APPROPRIATION			440	52,233

Comparison by Activity

	<u>1998 Currently Avail</u>		<u>1999 Base</u>		<u>1999 Estimate</u>		<u>Increase / Decrease</u>	
	<u>Perm Pos</u>	<u>Amount</u>	<u>Perm Pos</u>	<u>Amount</u>	<u>Perm Pos</u>	<u>Amount</u>	<u>Perm Pos</u>	<u>Amount</u>
DIRECT OBLIGATIONS								
Management & Policy Coordination	24	\$3,142	24	\$3,180	30	\$4,500	6	1,320
Export Administration	190	21,653	192	20,996	192	24,499	0	3,503
Export Enforcement	177	22,190	198	21,505	218	23,234	20	1,729
TOTAL DIRECT OBLIGATIONS	391	46,985	414	45,681	440	52,233	26	6,552
REIMBURSABLE OBLIGATIONS	4	3,000	4	3,000	4	1,000	0	(2,000)
TOTAL OBLIGATIONS	395	49,985	418	48,681	444	53,233	26	4,552
FINANCING								
Unobligated balance, start of year		(3,085)						
Offsetting collections from:								
Federal funds	0	(1,000)			0	0		
Non-Federal sources	(4)	(2,000)			(4)	(1,000)		
Subtotal, financing	(4)	(6,085)			(4)	(1,000)		
TOTAL, BUDGET AUTHORITY	391	43,900			440	52,233		

Highlights of Program Changes

	<u>Base</u>		<u>Increase / Decrease</u>	
	<u>Permanent Positions</u>	<u>Amount</u>	<u>Permanent Positions</u>	<u>Amount</u>
<u>Management and Policy Coordination</u>	24	\$3,180	+6	+\$1,320

An increase is requested to promote export control cooperation with the independent states of the former Soviet Union, the Baltics, and Central Europe to facilitate legitimate trade and to stop the proliferation of sensitive items to rogue states and terrorists. These efforts were funded by the Departments of Defense and State in the past. However, neither agency will have funds to continue these efforts in FY 1999.

<u>Export Administration</u>	192	20,996	+0	+3,503
------------------------------	-----	--------	----	--------

An increase is requested to provide full year funding for the administration of the new and complex declaration processing functions imposed on commercial chemical manufacturing facilities under the Chemical Weapons Convention (CWC). This increase was programmatically approved in FY 1998, but only partially funded because of delays in the passage of implementing legislation (+0 pos., +\$1,126). A second increase is requested to provide full year funding for the on-site inspection requirements of the CWC. This increase was programmatically approved in FY 1998, but only partially funded because of delays in the passage of implementing legislation (+0 pos., +\$2,377).

<u>Export Enforcement</u>	198	21,505	+20	+1,729
---------------------------	-----	--------	-----	--------

An increase is requested for the new and/or increased responsibilities related to (1) encryption controls, which were moved from the Department of State to Commerce by Executive Order; (2) Fastener Quality Act public safety legislation; (3) more intensive prevention and deterrent enforcement efforts; and (4) enhanced preventive enforcement to stop and analyze illegal shipments before they reach their point of destination (+20 pos., +\$1,729).

MINORITY BUSINESS DEVELOPMENT AGENCY

The Minority Business Development Agency (MBDA) has the lead role in the Federal Government of coordinating all minority business programs. The Agency provides access to market and resource opportunities through a variety of direct and indirect business assistance services.

For FY 1999, MBDA has redesigned its service delivery system to 1) respond more effectively to its customer's needs, 2) develop partnerships with and leverage the resources of public and private institutions, and 3) develop a permanent institutional capacity in communities to serve minority businesses. MBDA also plans to dedicate more resources toward established firms because research indicates that the needs of these companies are not being met.

In FY 1999, MBDA is defining its program strategy through goals and objectives that promote job creation, economic growth and sustainable development for the growing minority business population in the United States. These goals are:

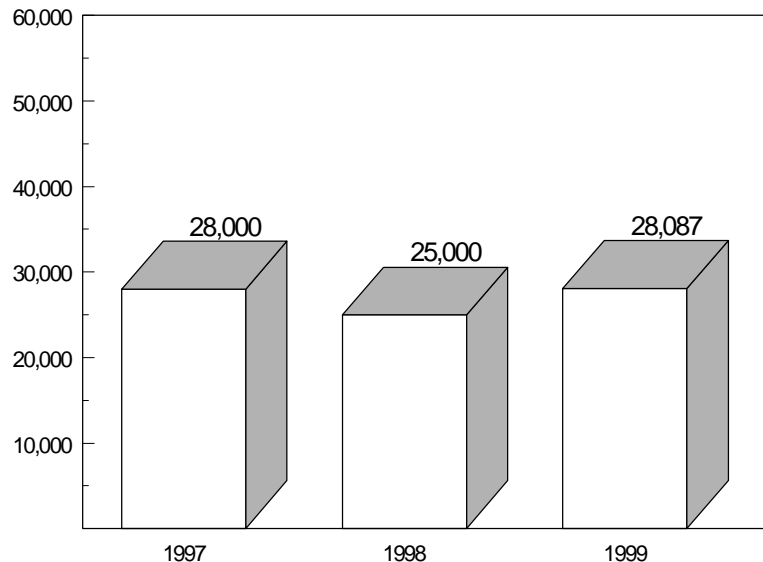
- **Goal 1:** Improving opportunities for minority owned businesses in major growth industries according to geographic demands. This will be done by: a) identifying industry sectors offering potential for high growth in geographic service areas and assessing available public and private resources to assist minority-owned businesses in penetrating these industries; and b) matching minority-owned businesses with domestic and international opportunities.
- **Goal 2:** Improving the opportunities for minority-owned businesses to pursue financing by: a) identifying and maintaining data on regional lending trends; and b) obtaining agreements with financial institutions to commit new funds or increase current funding levels available for minority-owned businesses.

These goals and objectives reflect MBDA's annual performance plan which is under development tie with the Department's Mission Statement and Theme 1 (*Build for the future and promote U.S. competitiveness in the global market place by strengthening and safeguarding the nation's economic infrastructure*) of the Commerce Strategic Plan.

To carry out this new program strategy, MBDA plans to use four service delivery mechanisms:

MBDA FUNDING

(Dollars in Thousands)



1. Minority Business Opportunity Committees (MBOCs). These are local volunteer organizations dedicated to the planning, coordination and delivery of resources to facilitate participation of local minority businesses in domestic and foreign markets.

2. Minority Business Development Centers (MBDCs). These centers provide management and technical assistance to minority businesses.

3. INTERNET-based service delivery. MBDA is using the Internet to provide information about the agency, information on contracting opportunities, links to other federal sites and resources that would benefit minority businesses.

4. National Business Development Support and Growth Sector Initiatives. MBDA will strengthen minority representation in areas that have been traditionally under-represented by minority businesses. These areas include capital formation, rural business development, and technology utilization.

The selection of any one mechanism over another for a project will be determined by an assessment of the needs of customers.

The performance measures that MBDA will use focus on measure outputs that will guide the agency toward meeting its objectives of the goals listed above. The performance measures will continue to evolve over time, as MBDA and its programs, the Department of

Commerce, and the Federal government as a whole continue to refine and enhance their capacity to develop performance measures, to use performance measurement as a key management tool, and implement the GPRA.

Key indicators currently available, which demonstrate MBDA's contribution to employment and economic growth, and relate to some of MBDA's priority goals, include (dollars in millions):

OUTPUTS	1997	1998	1999
Number of International trade missions	3	3	3
Number of firms MBDA assisted by industry & sector	-	500	1,000
Number of public & private resources identified	N/A	5	20
Number of debt, equity, merger & acquisition opportunities facilitated	4	25	25
OUTCOMES			
Dollar value of financial packages	\$402	\$465	\$700
Dollar values for contracts awarded to assisted companies (in millions)	\$450	\$600	\$600

SUMMARY OF APPROPRIATIONS

(Dollars in Thousands)

FUNDING LEVELS

Appropriation	<u>1997</u>	<u>1998</u>	<u>1999</u> <u>Estimate</u>	Increase <u>(Decrease)</u>
Minority Business Development	\$28,000	\$25,000	\$28,087	\$3,087

PERMANENT POSITIONS

Salaries and Expenses	133	133	133	0
-----------------------	-----	-----	-----	---

HIGHLIGHTS OF BUDGET CHANGES

APPROPRIATION: Minority Business Development

Summary of Requirements

	<u>Detailed</u>		<u>Summary</u>	
	<u>Perm Pos</u>	<u>Amount</u>	<u>Perm Pos</u>	<u>Amount</u>
1998 Enacted			133	\$25,000
Adjustments to Base				
<u>Other Changes</u>				
1998 Pay raise	0	\$11		
1999 Pay raise	0	195		
Payment to the Working Capital Fund	0	20		
Within-grade step increases	0	22		
Civil Service Retirement and Disability Fund	0	(13)		
Civil Service Retirement System(CSRS)	0	65		
Federal Employees' Retirement System(FERS)	0	(13)		
Thrift Savings Plan	0	1		
Health insurance	0	13		
Employees' Compensation Fund	0	79		
Travel	0	5		
Rent payments to GSA	0	48		
GSA Security Surcharge	0	59		
Printing and reproduction	0	3		
Other services:				
Working Capital Fund	0	24		
Commerce Administrative Management System (CAMS)	0	38		
General Pricing Level Adjustment	0	197		
Subtotal, other cost changes			0	754
Less Amount Absorbed			0	(478)
TOTAL, ADJUSTMENTS TO BASE			0	276
1999 Base			133	25,276
Program Changes			0	2,811
1999 APPROPRIATION			133	28,087

Comparison by Activity

	<u>1998 Currently Avail</u>		<u>1999 Base</u>		<u>1999 Estimate</u>		<u>Increase / Decrease</u>	
	<u>Perm Pos</u>	<u>Amount</u>	<u>Perm Pos</u>	<u>Amount</u>	<u>Perm Pos</u>	<u>Amount</u>	<u>Perm Pos</u>	<u>Amount</u>
DIRECT OBLIGATIONS								
Minority Business Development	133	\$27,630	133	\$25,276	133	\$28,087	0	2,811
TOTAL DIRECT OBLIGATIONS	133	27,630	133	25,276	133	28,087	0	2,811
REIMBURSABLE OBLIGATIONS	0	400	0	400	0	400	0	0
TOTAL OBLIGATIONS	133	28,030	133	25,676	133	28,487	0	2,811
FINANCING								
Unobligated balance, start of year		(2,630)						
Offsetting collections from:								
Federal funds	0	(400)			0	(400)		
Non-Federal sources	0	0			0	0		
Subtotal, financing	0	(3,030)			0	(400)		
TOTAL, BUDGET AUTHORITY	133	25,000			133	28,087		

Highlights of Program Changes

	<u>Base</u>		<u>Increase / Decrease</u>	
	<u>Permanent Positions</u>	<u>Amount</u>	<u>Permanent Positions</u>	<u>Amount</u>
<u>Minority Business Development</u>	133	\$25,276	+0	+\$2,811

MBDA will maintain a number of initiatives which are consistent with Congressional mandates and Department of Commerce recommendations. These initiatives broaden and expand the scope of business assistance which MBDA offers. Some of the changes are: 1) developing a MBDA Intranet which will allow regional and headquarters staffs to communicate with each other; 2) hiring a Chief Information Officer; 3) Establishing an Interagency Minority Business Council; 4) undertaking more collaborative efforts in conjunction with SBA and other agencies within the Department of Commerce, and; 5) developing an electronic process to match business opportunities with minority businesses.

In FY 1999, most of MBDA's reinvention strategy is expected to be in place. MBDA will continue to serve the minority business community by focusing on accessing markets and finance in efforts to level the competitive market environment.

UNITED STATES TRAVEL AND TOURISM ADMINISTRATION

The United States Travel and Tourism Administration (USTTA) was abolished during fiscal year 1996 due to severe budget cutbacks. The agency's critical tourism functions were transferred to the International Trade Administration (ITA).

The Department of Commerce is diligently working to settle all debts. Remaining funds may be reallocated to cover shortfalls in other Commerce bureaus.

SUMMARY OF APPROPRIATIONS

(Dollars in Thousands)

FUNDING LEVELS

Appropriation	<u>1997</u>	<u>1998</u>	<u>1999 Estimate</u>	<u>Increase (Decrease)</u>
Salaries and Expenses	\$0	\$0	\$0	\$0
Rescission pursuant 105-119	0	(3,000)	0	3,000
TOTAL BUDGET AUTHORITY	0	(3,000)	0	3,000

PERMANENT POSITIONS

Salaries and Expenses	0	0	0	0
-----------------------	---	---	---	---

Summary of Requirements

	<u>Detailed</u>		<u>Summary</u>	
	<u>Perm Pos</u>	<u>Amount</u>	<u>Perm Pos</u>	<u>Amount</u>
1998 Enacted			0	(\$3,000)
Adjustments to Base				
Cancellation of 1998 Rescission			0	3,000
TOTAL, ADJUSTMENTS TO BASE			0	3,000
1999 Base			0	0
Program Changes			0	0
1999 APPROPRIATION			0	0

Comparison by Activity

	<u>1998 Currently Avail</u>		<u>1999 Base</u>		<u>1999 Estimate</u>		<u>Increase / Decrease</u>	
	<u>Perm Pos</u>	<u>Amount</u>	<u>Perm Pos</u>	<u>Amount</u>	<u>Perm Pos</u>	<u>Amount</u>	<u>Perm Pos</u>	<u>Amount</u>
TOTAL DIRECT OBLIGATIONS	0	\$0	0	\$0	0	\$0	0	\$0
FINANCING								
Unobligated balance, start of year		(3,925)				0		
Unobligated balance, end of year		925				0		
Subtotal, financing		(3,000)				0		
TOTAL, BUDGET AUTHORITY	0	(3,000)				0		

NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION

The budget for the National Oceanic and Atmospheric Administration (NOAA) is divided into two primary accounts, Operations, Research and Facilities (ORF), which consists of approximately 71% of NOAA's budget, and Procurement, Acquisition and Construction (PAC), comprising 28%. Several smaller accounts make up the remaining 1% of NOAA. Created in the FY 1998 Appropriations Act, the PAC account includes the FY 1998 costs associated with the acquisition of NOAA's capital assets. NOAA's Fleet Modernization, Shipbuilding and Conversion, and Construction accounts were discontinued in the FY 1998 Appropriations Act with the respective programs subsumed by either ORF or PAC.

NOAA's FY 1999 request in the PAC account expands the concept of an annual appropriation for incrementally funded capital projects to include advanced appropriations for entire projects, or divisible segments of larger ones. Creation of the PAC account responds to the requirements of the Federal Acquisition Streamlining Act of 1994 and the Information Technology Management Reform Act of 1996 for multi-year PAC projects in the acquisition stage, and is designed to account for the full Federal liability for procurement through advanced appropriations. Full funding of projects or divisible segments, will improve the decision-making process by allowing managers to understand the full cost of project implementation when making funding decisions. Full funding will also improve NOAA's procurement process by allowing the achievement of cost efficiencies; it will ensure that the capital assets requested support the agency's core/primary mission and generate an acceptable minimum rate of return through a cost/benefit evaluation; and it will increase accountability.

In FY 1999, ORF is grouped into eight activities: the National Ocean Service; the National Marine Fisheries Service; Oceanic and Atmospheric Research; the National Weather Service; the National Environmental Satellite, Data, and Information Service; Program Support; Fleet Maintenance and Planning; and Facilities.

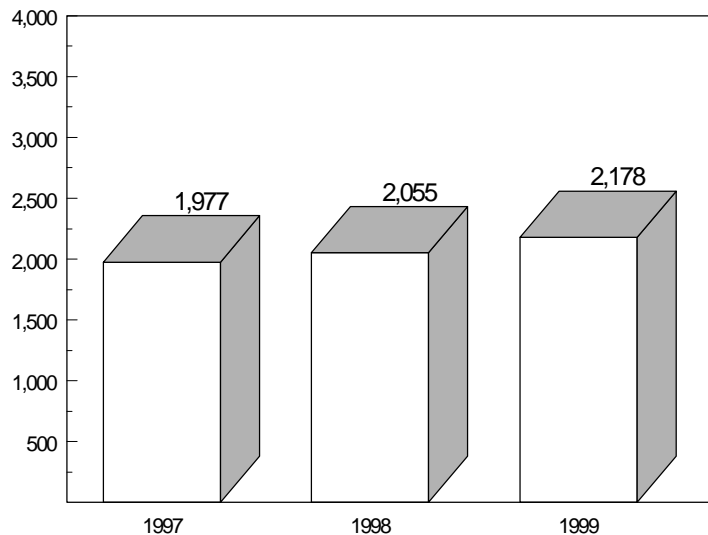
Operations, Research and Facilities Activities

National Ocean Service (NOS):

NOS provides for the management of ocean and coastal resources, particularly in the 200-mile Exclusive Economic Zone (EEZ), and for improvements in quality, quantity, geographic distribution and timeliness of ocean observations. Mapping and charting activities produce

NOAA FUNDING

(Dollars in Millions)



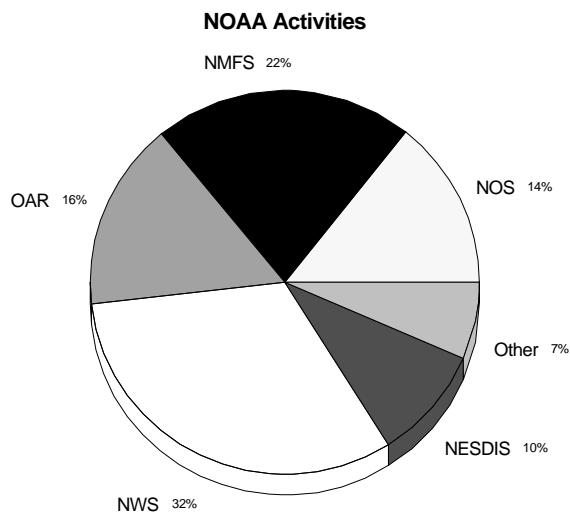
aeronautical and nautical charts and supporting documents which are compiled and sold to the public and other Federal agencies. By the end of FY 1999, full responsibility for aeronautical charts will be transferred to the Department of Transportation. Understanding of the coastal environment is enhanced through the coastal science and the coastal zone management programs. NOS also acquires or establishes marine and estuarine sanctuaries of national significance.

National Marine Fisheries Service (NMFS):

NMFS manages fisheries within the 200-mile Exclusive Economic Zone (EEZ) to ensure the health of commercial and recreational fishery stocks. Fishery stocks are surveyed, catch data are collected, and research is conducted to understand better the variables affecting the abundance and variety of marine resources. Protection of endangered marine species and coastal and estuarine fishery habitats, and enforcement of fishery regulations and seafood quality are also primary bureau activities. Research is conducted in conjunction with states on interjurisdictional and anadromous fishery resources.

Oceanic and Atmospheric Research (OAR):

OAR provides the research and technology development necessary to improve NOAA weather services, solar-terrestrial forecasts and marine services. OAR provides the scientific basis for national policy



Other includes Program Support, Fleet Maintenance and Facilities

decisions in areas such as climate change, air quality and stratospheric ozone depletion, and promotes economic growth through efforts in marine biotechnology and development of environmental observing technologies.

National Weather Service (NWS):

NWS provides weather and flood warnings and forecasts to the general public and other users. Weather satellites and staffed and automated stations on land and at sea gather meteorological observations of the atmosphere and the Earth's surface. Based on these observations, professional meteorologists prepare warnings and forecasts and disseminate them to the public.

National Environmental Satellite, Data and Information Service (NESDIS):

NESDIS provides for the operation of the polar-orbiting and geostationary operational environmental satellites, development of the converged polar-orbiting satellite series with the Department of Defense and NASA, the future operation of the Landsat 7 remote sensing satellite, as well as management of NOAA's environmental data collections. The polar and geostationary satellites provide meteorological data to the National Weather Service for use in developing warnings and forecasts, while Landsat data assists scientists in studying climate and global change. Environmental data and information are collected from NOAA and other sources, disseminated and archived for future use.

Program Support (PS):

Program Support includes Executive Direction and Central Administrative Support, whereby NOAA provides centralized management concerning NOAA policy and planning objectives, individual program operations, legal counsel, Congressional relations and public affairs. NOAA also provides management services to NOAA/DOC field offices through the regional Administrative Support Centers. In addition, Program Support includes the operation of NOAA's fleet of aircraft.

Facilities:

Facilities provides for maintenance, repairs and minor modification to existing NOAA facilities; facilities planning and design; and environmental compliance.

Fleet Maintenance and Planning:

This activity provides for the repair and maintenance of the NOAA fleet, including procurement of ship-related equipment, and planning for the modernization of the NOAA fleet. In FY 1997, funds for these activities were appropriated in the Fleet Modernization, Shipbuilding and Conversion account. Commencing in FY 1998 and continuing in FY 1999, they are included in this ORF activity.

Other NOAA Accounts:

The Coastal Zone Management Fund was established under the Omnibus Budget Reconciliation Act of 1990 (P.L. 101-158, Sec. 6201-6216) to receive repayments from the coastal energy impact program. These payments are used for CZM programs, administration, and projects as authorized by section 308 of the Coastal Zone Management Act (CZMA).

The Fishing Vessel and Gear Damage Compensation Fund provides compensation to fishing vessel owners who sustain losses or damage to their gear or vessels while engaged in fishing, provided that the loss is attributable to any foreign vessel, crew or gear. At one time, this fund was supported by a surcharge imposed on foreign fishing permit fees, plus interest earned and operated through the appropriation of existing balances. By the end of FY 1998, these funds will be depleted as foreign fishing vessel permit surcharges have not been collected since 1984. No appropriation is requested in FY 1999.

The Fishermen's Contingency Fund is used to compensate domestic fishermen for the damage or loss of fishing gear and resulting economic loss due to obstructions related to oil and gas exploration, development or production in the Outer Continental

Shelf. The funds are derived from fees collected annually by the Secretary of the Interior from the holders of leases, explorations, permits, easements, and rights of way.

The Foreign Fishing Observer Fund provides observer coverage of foreign fishing activities within the 200-mile EEZ. The fund is financed by fees collected from foreign governments with fishing vessels within the exclusive fishery jurisdiction of the U.S. The fund is used to pay salaries, administrative costs, data entry and other expenses associated with the placement of observers aboard foreign fishing vessels.

The Promote and Develop Fishery Products & Research Pertaining to American Fisheries Fund receives 30 percent of the import duties the Department of Agriculture collects on fishery-related products. A portion of these funds is used to offset marine fishery resource programs in the "Operations, Research and Facilities" appropriation in FY 1999. The remainder of the funds is used to promote industry development through competitively-awarded external grants for innovative research and development of projects in the fishing industry and for internal research that complements the external program. Internal research will focus on bycatch reduction and aquaculture technology.

The Fisheries Finance, Program account (formerly Fishing Vessel Obligation Guarantee Fund) is used by fishermen to refinance existing debt, obtain loans to renovate and repair existing vessels, and facilities, and to construct new processing plants for underutilized species, aquaculture, and waste reduction. Vessel loans do not increase over-capitalization in the fishing industry; they either reduce fishing capacity or are capacity neutral. The re-authorization of the Magnuson-Stevens Fisheries Conservation and Management Act in October 1996 changed the program to direct loans rather than loan guarantees previously made under the Fishing Vessel Obligation Guarantee appropriation.

The Damage Assessment and Restoration Revolving Fund receives proceeds from claims against responsible parties as determined through court settlements or agreements for both damage assessment and restoration costs. Funds will be transferred to the Operations, Research and Facilities account for purposes of damage assessment and restoration.

The Procurement, Acquisition and Construction (PAC) account, established in FY 1998 as an annual appropriation, includes costs associated with the

acquisition of NOAA's major capital assets. In FY 1999, NOAA is requesting advanced funding in annual increments for its multi-year capital projects. The requirement for full funding of multi-year capital projects through advanced annual appropriations is designed to ensure that agencies account for the entire Federal liability for a given project, and/or divisible segment. Full funding is supported by the Administration as part of an on-going attempt to improve cost and performance of agency procurements. Included in this account are three activities: "Systems Acquisition" which contains projects associated with modernizing NOAA's weather services, including satellite procurements; "Construction" which contains projects involving new construction, or major modification of existing facilities; and "Fleet Modernization" which will contain funding for any modernization of NOAA's fleet of research vessels either through new construction, or major modification to existing vessels.

Performance Measures

For FY 1999, NOAA has identified a series of performance measures which can be used to assess the effectiveness of its program activities. This list of measures focuses on NOAA's priority programs and program goals and can be expected to evolve over time as NOAA, the Department, and the Administration continue to refine and develop effective performance measures to use them as a key management tool, and to implement the Government Performance and Results Act (GPRA).

NOAA contributes to all three Departmental Strategic Themes. NOAA's goals under Economic Infrastructure include promotion of safe navigation and advancement of short-term weather warnings and forecasts. NOAA's goals under Science/Technology/Information include climate forecasting and predicting climate change. Under the Resources/Assets Management/Stewardship Theme, NOAA's goals include building sustainable fisheries, recovering protected species and sustaining healthy coasts.

To track progress in the implementation of NOAA's Strategic Plan for 1995 - 2005, the following performance measures were developed for each of the seven goals that make up the components of this plan. These measures are among the more important ones used by NOAA to track progress in meeting its goals and objectives. The performance measures for FY 1999 are as follows:

<u>Advance Short-Term Warning and Forecast Services</u>	1997	1998	1999
Flash Flood Warnings			
Lead Time (min)	40	40	42
Accuracy (%)	83	83	85
Severe Thunderstorm Warnings			
Lead Time (min)	18	18	19
Accuracy (%)	84	84	84
Tornado Warnings			
Lead Time (min)	10	10	11
Accuracy (%)	59	65	70
Precipitation Forecasts			
Lead time for 1" precipitation (days in advance)	2.3	2.3	2.3
Hurricane Landfall Warnings			
Accuracy of landfall (km) w/ 24-hour lead-time	125	140	135
<u>Implement Seasonal to Interannual Climate Forecasts</u>			
ENSO Forecasts			
Accuracy (correlation)	.81	.81	.81
Lead time (years)	.50	.50	.50
U.S. Temperature & Precipitation			
Skill score (percent above persistence)	19	20	20
Lead time (years)	.50	.50	.50
TOGA observing system operational %	--	50	75
<u>Predict & Assess Decadal to Centennial Change</u>			
# of operational ozone measurement stations	2	2	3
% of commercially viable CFC substitutes evaluated for greenhouse warming potential	50	100	100
% of commercially viable CFC substitutes evaluated for ozone depletion potential	50	100	100
% completion of initial state of science assessment of rural ozone chemistry in N. America	50	75	100
<u>Promote Safe Navigation</u>			
% critical area survey backlog reduced (43,000 SNM backlog) cumulative reduction	12	16	19
National Water Level Observation Network cumulative % modernized	78	80	75
National Spatial Reference System complete - cumulative %	60	69	79

<u>Build Sustainable Fisheries</u>	1997	1998	1999
% of stocks assessed (out of 231 identified)	79	79	79
# Fishery Management Plans with access controls implemented (of 39 FMPs)	25	26	27
<u>Recover Protected Species</u>			
# of recovery plans developed (cumulative)	10	25	25
# of recovery plan priority activities implemented	8	8	15
# species with population status improved	12	16	15
<u>Sustain Healthy Coasts</u>			
Protection/restoration of coastal habitats			
# acres restored	12,000	26,000	43,000
# of interagency restoration projects	16	20	55
% of coastal resource protection system completed for state coastal nonpoint pollution programs	77	83	91
% of 40 key coastal ecosystems with reduced risks from hazardous chemicals	15	20	25

SUMMARY OF APPROPRIATIONS

(Dollars in Thousands)

FUNDING LEVELS

			1999	Increase
<u>Appropriation</u>	<u>1997</u>	<u>1998</u>	<u>Estimate</u>	<u>(Decrease)</u>
Operations, Research & Facilities (ORF)	\$1,834,067	\$1,488,550	\$1,486,481	(\$2,069)
Procurement, Acquisition and Construction (PAC)	0	491,609	621,595	129,986
Fleet Modernization, Shipbuilding & Conversion	8,000	0	0	0
Construction	69,050	0	0	0
Fishing Vessel & Gear Damage Comp. Fund	3	0	0	0
Fishermen's Contingency Fund	991	953	953	0
Foreign Fishing Observer Fund	63	189	189	0
Fisheries Finance Program	250	338	238	(100)
TOTAL APPROPRIATION	1,912,424	1,981,639	2,109,456	127,817
Coastal Zone Management Fund				
Discretionary spending authority from collections	7,586	7,800	4,000	(3,800)
Mandatory offsetting collections	(4,719)	(4,736)	(4,000)	736
Subtotal, CZMF	2,867	3,064	0	(3,064)
Transfers:				
<u>Operations, Research & Facilities</u>				
FROM: Promote & Develop Fishery Products	66,000	62,381	62,381	0
EDA Revolving Fund (P.L. 104-208)	1,800	0	0	0
Damage Assessment & Restoration Revolving Fund	1,593	5,273	4,714	(559)
TO: Census Periodic Censuses and Programs (P.L. 104-208)	(5,700)	0	0	0
NTIA Salaries and Expenses (P.L. 104-208)	(1,500)	0	0	0
Subtotal, ORF	62,193	67,654	67,095	(559)
<u>Promote & Develop Fishery Products (P&D)</u>				
TO: ORF	(66,000)	(62,381)	(62,381)	0
FROM: Department of Agriculture	66,381	65,734	65,734	0
Subtotal, P&D	381	3,353	3,353	0
<u>Damage Assessment & Restoration Revolving Fund</u>				
TO: ORF	(1,593)	(5,273)	(4,714)	559
FROM: Department of Interior	863	3,773	3,214	(559)
Subtotal, DARRF	(730)	(1,500)	(1,500)	0
TOTAL, TRANSFERS	61,844	69,507	68,948	(559)
Permanent Appropriation per Federal Credit Reform Act (P.L. 105-33)	0	700	0	(700)
TOTAL BUDGET AUTHORITY (All Funds)	1,977,135	2,054,910	2,178,404	123,494
Mandatory Funds	(61,662)	(61,698)	(61,734)	(36)
DISCRETIONARY BUDGET AUTHORITY	1,915,473	1,993,212	2,116,670	123,458

SUMMARY OF POSITIONS

	<u>1997</u>	<u>1998</u>	<u>1999 Estimate</u>	<u>Increase (Decrease)</u>
Operations, Research & Facilities (ORF)	11,277	11,609	11,635	26
Reimbursable	1,026	1,308	592	(716)
Procurement, Acquisition and Construction (PAC)	0	239	185	(54)
Fleet Modernization, Shipbuilding & Conversion	17	0	0	0
Construction	26	0	0	0
Aircraft Procurement	2	0	0	0
Coastal Zone Management Fund	51	51	51	0
Promote & Develop American Fisheries	4	5	5	0
Fishing Vessel & Gear Damage Comp. Fund	0	0	0	0
Fishermen's Contingency Fund	1	1	1	0
TOTAL	12,404	13,213	12,469	(744)

HIGHLIGHTS OF BUDGET CHANGES

(By Appropriation)

APPROPRIATION: Operations, Research & Facilities

Summary of Requirements

	<u>Detailed</u>		<u>Summary</u>	
	<u>Perm Pos</u>	<u>Amount</u>	<u>Perm Pos</u>	<u>Amount</u>
1998 Enacted			11,609	\$1,488,550
<u>Transfers</u>				
Interbureau transfer	0	\$62,381		
Intrabureau transfer	0	5,683		
Total Transfers			0	68,064
<u>Adjustments to Base</u>				
Restoration of FY 1998 Rescission			0	20,500
<u>Financing</u>				
Restoration of deobligation in FY 1998			0	24,000
<u>Adjustments</u>				
Rent adjustment			0	4,656
<u>Other Changes</u>				
1998 Pay raise	0	667		
1999 Pay raise	0	14,123		
Payment to the Working Capital Fund	0	173		
Full year cost in 1999 of positions financed for part year in 1998	0	881		
Within-grade step increases	0	6,306		
Civil Service Retirement and Disability Fund	0	(944)		

	<u>Detailed</u>		<u>Summary</u>	
	<u>Perm Pos</u>	<u>Amount</u>	<u>Perm Pos</u>	<u>Amount</u>
Civil Service Retirement System(CSRS)	0	\$3,100		
Federal Employees' Retirement System(FERS)	0	(663)		
Thrift Savings Plan	0	213		
Federal Insurance Contributions Act (FICA) -OASDI	0	1,138		
Health insurance	0	535		
Employees' Compensation Fund	0	116		
Travel	0	1,451		
Rent payments to GSA	0	1,199		
GSA Security Surcharge	0	769		
Printing and reproduction	0	64		
Other services:				
Working Capital Fund	0	216		
Commerce Administrative Management System (CAMS)	0	0		
General Pricing Level Adjustment	0	7,968		
Grants	0	292		
Subtotal, other cost changes			0	37,604
Less Amount Absorbed			0	(37,604)
TOTAL, ADJUSTMENTS TO BASE			0	49,156
1999 Base			11,609	1,605,770
Program Changes			26	(22,698)
TOTAL REQUIREMENTS			11,635	1,583,072
Fee collections			0	0
Recoveries from prior year obligations			0	(28,527)
Transfers				
From Promote and develop Amer. fisheries			0	(62,381)
From Damage Assessment & Restoration Rev. Fund			0	(5,683)
1999 APPROPRIATION			11,635	1,486,481

Comparison by Activity

	<u>1998 Currently Avail</u>		<u>1999 Base</u>		<u>1999 Estimate</u>		<u>Increase / Decrease</u>	
	<u>Perm Pos</u>	<u>Amount</u>	<u>Perm Pos</u>	<u>Amount</u>	<u>Perm Pos</u>	<u>Amount</u>	<u>Perm Pos</u>	<u>Amount</u>
DIRECT OBLIGATIONS								
National Ocean Service	1,245	\$234,145	1,354	\$239,474	1,354	\$243,408	0	\$3,934
National Marine Fisheries Service	2,472	344,535	2,423	342,299	2,464	351,376	41	9,077
Oceanic & Atmospheric Research	995	277,741	935	272,366	935	251,217	0	(21,149)
National Weather Service	4,832	520,264	4,832	520,264	4,853	564,431	21	44,167
National Environmental & Satellite, Data & Information Service	796	134,682	796	135,732	796	100,371	0	(35,361)
Program Support	1,242	70,870	1,242	70,870	1,206	68,550	(36)	(2,320)
Fleet Maintenance & Planning	12	13,500	12	13,500	12	9,600	0	(3,900)
Facilities	15	11,265	15	11,265	15	16,400	0	5,135
Rent savings to finance Goddard	0	(4,656)	0	0	0	0	0	0
Recission of unobligated balances	0	(20,500)	0	0	0	0	0	0
Offset for fee collections	0	0	0	0	0	(22,281)	0	(22,281)
TOTAL DIRECT OBLIGATIONS	11,609	1,581,846	11,609	1,605,770	11,635	1,583,072	26	(22,698)
REIMBURSABLE OBLIGATIONS	1,308	251,998	1,308	251,998	592	221,648	(716)	(30,350)
TOTAL OBLIGATIONS	12,917	1,833,844	12,917	1,857,768	12,227	1,804,720	(690)	(53,048)
FINANCING	(1,308)	(277,640)	(1,308)	(281,494)	(592)	(251,144)	716	30,350
TOTAL, BUDGET AUTHORITY	11,609	1,556,204	11,609	1,576,274	11,635	1,553,576	26	(22,698)
TRANSFERS:	0	(67,654)	0	(67,095)	0	(67,095)	0	0
APPROPRIATION, ORF	11,609	1,488,550	11,609	1,509,179	11,635	1,486,481	26	(22,698)

Highlights of Program Changes

	<u>Base</u>		<u>Increase / Decrease</u>	
	<u>Positions</u>	<u>Amount</u>	<u>Positions</u>	<u>Amount</u>
<u>National Ocean Service (NOS)</u>				

Navigation Services	630	\$76,050	0	-\$7,291
---------------------	-----	----------	---	----------

Decreased funding is requested in Mapping and Charting to continue working down the backlog of nautical surveys (0 pos.; -\$5,400). Of the requested \$8.5 million, \$5.5 million will be used for contracts to acquire hydrographic data, and \$3.0 million will be used for contract support to produce new digital nautical charts.

No funding is requested in the Geodesy line item for the South Carolina geodetic survey project and the National Height Modernization Study (0 pos.; -\$1,541). In addition, no Federal funding is requested for the Tide and Current Data program for operation of the Houston/Galveston Physical Oceanographic Real-Time System (0 pos; -\$350).

A proposal is included in the request for fee collections in conjunction with the U.S. Coast Guard for Navigation Services totaling \$2.5 million which offsets NOAA's budget authority.

Ocean Resources Conservation and Assessment	428	81,828	0	-1,425
---	-----	--------	---	--------

The following elements are part of the Clean Water Initiative: increased funding for the Damage Assessment and Restoration Program (0 pos.; +\$1,500). This increase will help NOAA fulfill its legislative mandates and public trusteeship responsibilities for coastal and marine resources; increased funding for the Coastal Ocean Science line item to support research through the multi-agency ECOHAB program (0 pos.; +\$600). This research will provide scientific information needed to address the impacts of toxic blooms that threaten coastal ecosystems; increased funding for pfiesteria and harmful algal bloom research (0 pos.; +\$1,925); additional funding for emergency grants to address pfiesteria and other harmful algal bloom outbreaks (0 pos.; +\$2,250), hazardous waste site assessments (0 pos.; +\$1,000), ecosystem monitoring in South Florida (0 pos.; +\$1,900), hypoxia research in the Gulf of Mexico (0 pos.; +\$1,000), and Natural Disaster Reduction Initiative activities such as working with states to develop coastal risk models (0 pos.; +\$1,400).

Decreases are requested for the Charleston Southeast Laboratory reflecting the discontinuation of the transfer of funds to the State of South Carolina for fisheries law enforcement (0 pos.; -\$500), for the Great Lakes Environmental Research Laboratory (GLERL) (0 pos.; -\$800), for the cooperative agreement between NOAA and the Institute for Coastal and Estuarine Environmental Technology (0 pos.; -\$5,900), and for the Coastal Services Center (0 pos.; -\$3,800).

No funding is proposed for the Commission on Ocean Policy (0 pos.; -\$1,000), or for coral reef studies in the Pacific and Southwest regions (0 pos.; -\$1,000).

Ocean and Coastal Management	100	67,050	0	+12,650
------------------------------	-----	--------	---	---------

Also, as part of the Clean Water Initiative, increased funding is requested for Coastal Zone Management (CZM) Enhancement grants to implement control portions of the approved Coastal Nonpoint Pollution Control Programs to address polluted runoff (0 pos.; +\$6,000). An increase is also requested for the Nonpoint Pollution Control Program to allow all three new states (Georgia, Texas and Ohio) to develop pollution run-off control programs and assist the 29 CZM states address conditions in their Nonpoint pollution control programs (0 pos.; +\$5,000).

To facilitate tracking all activities and accounting associated with the Coastal Zone Management (CZM) program, funding obligated in the Coastal Zone Management Fund (CZMF) is now shown under the Coastal Management sub-activity. An increase in budget authority for NOS is requested reflecting reduced funding availability in the CZMF (0 pos.; +\$3,800) which will fund \$3.3 million of the National Estuarine Research Reserve System's (NERRS) base program and \$0.5 million of the CZM program administration.

In conjunction with the above, however, reduced overall funding is requested for the NERRS program reflecting current requirements for baseline operations, system-wide monitoring, and newly designated reserve sites (0 pos.; -\$1,350). In addition, a decrease is requested for the Marine Sanctuary program to reflect reduced system-wide planning costs (0 pos.; -\$800).

Acquisition of Data	196	14,546	0	0
---------------------	-----	--------	---	---

No change in funding is requested for the NOS Acquisition of Data subactivity in FY 1999.

National Marine Fisheries Service (NMFS)

Information Collection and Analysis	1,277	171,561	+15	-6,459
-------------------------------------	-------	---------	-----	--------

An increase is requested for Fish Statistics collection efforts and performance of economic analyses required by the new National Standard 8 of the Sustainable Fisheries Act (+2 pos.; +\$1,500).

A net funding decrease is proposed for the Resource Information line item (+13 pos.; -\$1,100). This change consists of a \$5.9 million base restoration, \$3.1 million in program increases, and \$10.1 million in program decreases. The restoration of \$5.9 million in base funding is required to cover programs not requested in the President's FY 1998 Budget. Without this restoration, research at the NMFS labs in FY 1999 will fall below FY 1997 levels. The \$3.1 million in program increases is required to support the Administration's Council on Sustainable Development to replenish and protect fisheries. The \$10.1 million in decreases pertain to programs that will be discontinued in FY 1999: Gulf of Mexico Consortium, Chuckchi Sea study, Atlantic herring/mackerel, Aquatic Resources Initiative (\$5.0 million), Summer flounder, Gulf and Atlantic States Fish Development Foundation, and the Gulf States Marine Fisheries Commission. Funding decreases are also proposed for the following activities: Chesapeake Bay Studies (0 pos.; -\$390); Right Whale Research (0 pos.; -\$200); MARFIN (0 pos.; -\$500); Alaska Groundfish Surveys (0 pos.; -\$289); Hawaiian Monk Seals (0 pos.; -\$50); Stellar Sea Lion Recovery (0 Pos.; -\$1,330); Alaska groundfish monitoring (0 pos.; -\$300); PACFIN/catch effort data (0 pos.; -\$1,700); and Recreational fishery harvest monitoring (0 pos.; -\$800).

No funding is requested for the Hawaii Stock Management Plan (0 pos.; -\$500) or Bluefish/Striped Bass (0 pos.; -\$800);

Conservation and Management Operations	757	122,916	+33	+19,478
--	-----	---------	-----	---------

Increases are requested for the Fisheries Management Program to initiate compliance with the Sustainable Fisheries Act amendment to the Magnuson-Stevenson Act (+7 pos.; +\$7,150) and for the Endangered Species Act Recovery Plan to implement new legislative requirements (+19 pos.; +\$10,250). An increase is also requested for Regional Councils to support their review of existing fishery management plans and incorporation of Essential Fish Habitat in fishery management plans, per the new requirements in the Sustainable Fisheries Act (0 pos.; +\$900). An increase is sought for Habitat Conservation to provide the operational and programmatic capability for the Restoration Center, NOAA's focal point for habitat restoration (0 pos.; +\$2,300), and in Enforcement & Surveillance activities (+7 pos.; +\$900) to advance enforcement and surveillance strategies through the Voluntary Compliance Programs, Vessel Monitoring systems, and state performance contracts. Lastly, an increase is requested to cover the costs of administering the Federal Ship Financing Fund and associated loan portfolios (0 pos.; +\$1,700).

Reduced funding is needed for the Columbia River hatcheries (0 pos.; -\$1,755); for Pacific Tuna Management (0 pos.; -\$1,050); and for studies associated with the International Dolphin Conservation Act (0 pos.; -\$500).

No funding is requested for the Fishery Observer Training as the program duplicates other training available on the West Coast (0 pos.; -\$417).

The FY 1999 proposed appropriation establishes authority to collect fees to offset costs associated with providing fisheries management and enforcement services. A proposal for the fees is being developed, and receipts will be collected from fees assessed on landings of commercial fishermen in the U.S. The \$19.8 million in estimated fees in FY 1999 will be used to offset the overall NOAA budget authority and appropriation.

State and Industry Assistance Programs	93	22,724	-7	-3,942
--	----	--------	----	--------

An increase is requested for the Anadromous Fishery Project to study striped bass in the Northeast (0 pos.; +\$258).

As part of the National Performance Review/Reinventing Government initiative, the Seafood Inspection Division will be transferred to the Food and Drug Administration, thereby combining all seafood safety inspection activities in one Federal agency, resulting in a decrease to the Product Quality and Safety subactivity (-7 pos.; -\$700). A decrease is also proposed for one-time activities funded by the Atlantic Coastal Fisheries Act and passed through to the Atlantic States Marine Fisheries Commission (0 pos.; -\$2,750).

No funding is requested for Hawaiian Fisheries Development (0 pos.; -\$750).

Acquisition of Data	296	25,098	0	0
---------------------	-----	--------	---	---

No increases or decreases are proposed for this subactivity in FY 1999.

Oceanic and Atmospheric Research (OAR)

Climate and Air Quality Research	373	114,802	0	+8,985
----------------------------------	-----	---------	---	--------

An increase is requested in long term climate and air quality research for NOAA's Health of the Atmosphere program to expand its efforts in addressing scientific issues associated with the Clean Air Act Amendments of 1990, specifically ozone pollution (0 pos.; +\$985). An increase is also requested for the Global Learning and Observations to Benefit the Environment (GLOBE) program to support continued growth in the number of participating schools and breadth of science data being collected (0 pos.; +\$1,000). An increase is requested for the National Science and Technology Council's (NSTC) initiative, the U.S. Global Change Research Program, for NOAA's Climate and Global Change Program, to expand climate assessment activities, particularly in the area of regional applications (0 pos.; +\$2,000). Lastly, an increase is needed for the High Performance Computing and Communications program to acquire a massively parallel computer for developing and evaluating advanced mesoscale weather prediction models at NOAA's Forecast Systems Laboratory (0 pos.; +\$5,000).

Atmospheric Programs	301	47,463	0	-2,500
----------------------	-----	--------	---	--------

Increased funding is requested for the U.S. Weather Research Program in support of the Natural Disaster Reduction Initiative (NDRI) (0 pos.; +\$1,000), and for NOAA's Space Environment Center's Space Weather Operations in Boulder, CO to permit 24-hour, 7 day-a-week operations (0 pos.; +\$300).

No funding is requested for the Mt. Washington National Resource Center (0 pos.; -\$3,800).

Ocean and Great Lakes programs	158	95,101	0	-25,518
--------------------------------	-----	--------	---	---------

Increased funding is requested to launch new mariculture efforts for native commercially fished species (0 pos.; +1,600), and for the assessment of hypoxic conditions in the northern Gulf of Mexico as part of the National Oceanographic Partnership Program (0 pos.; +\$400).

Reduced funding for the marine environmental research line item will result in no funding for Arctic research (0 pos.; -\$1,500), Tsunami hazard mitigation (0 pos.; -\$2,300), the Lake Champlain study (0 pos.; -\$150), open ocean aquaculture (0 pos.; -\$1,700), and the Canaan Valley Institute (0 pos.; -\$4,000). Reduced funding is also requested for the prevention and control of the introduction of nonindigenous species into marine systems which will include the cessation of the Chesapeake Bay ballast demonstration project (0 pos.; -\$700). Reduced funding is requested for the National Sea Grant College Program reflecting the discontinuation of lower priority research (0 pos.; -\$5,818). Reduced funding is also requested in the National Undersea Research Program (NURP) in support of a streamlined, yet nationally competitive research program (0 pos.; -\$11,350).

Acquisition of Data	103	15,000	0	-2,116
---------------------	-----	--------	---	--------

Reduced funding is requested to acquire data utilizing NOAA's fleet of ships, UNOLS vessels and private sector charters consistent with OAR's data collection needs (0 pos.; -\$2,116).

National Weather Service (NWS)

Operations and Research (O&R)	4,666	467,332	+8	+34,848
-------------------------------	-------	---------	----	---------

NOAA requests a total increase of \$34.8 million in O&R. This increase supports budget and program recommendations of B/G (Ret.) General John Kelly, Jr., and funds activities which contribute to the Natural Disaster Reduction Initiative (NDRI). Contained in this increase are funds to cover the full cost of mandatory pay raises and locality pay during FY 1999 (0 pos.; +\$9,053), and funds to support modernized field operations during the Advanced Weather Interactive Processing System (AWIPS) deployment, maintenance of NOAA Weather Radio (NWR) positions required until final implementation of the console replacement system, ASOS augmentation responsibilities, and the six regional headquarter office structure (+8 pos.; +\$9,226). Additional funds are required to support non-labor requirements which will insure adequate central operations support, provide an adequate field warning and forecast infrastructure, accommodate non-discretionary price increases, and provide an adequate level of training for field operations (0 pos.; +\$10,060). Also included, are requested funds for two important initiatives: radiosonde replacement program (0 pos.; +\$3,430) and the Advanced Hydrologic Prediction System (0 pos.; +\$4,200).

Reduced funding is needed to support the data buoy and C-MAN station network (0 pos.; -\$170), as well as the Susquehanna River Basin flood system (0 pos.; -\$501).

No funding is requested for the NWR transmitters in Kentucky or Southern Indiana, as the FY 1998 costs were non-recurring (0 pos.; -\$450).

Systems Acquisition	166	52,932	+13	+9,319
---------------------	-----	--------	-----	--------

Beginning in FY 1998, funding in this subactivity reflects the non-capital portion of the Next Generation Weather Radar (NEXRAD), Automated Surface Observing System (ASOS), the Advanced Weather Interactive Processing System (AWIPS), and the Central Computer Facility Upgrade programs.

An increase is needed in the AWIPS program reflecting the completion of deployment activities and the commencement of post-deployment operations and maintenance of the AWIPS network (0 pos.; +\$12,189); and in the ASOS program to expand service levels at 6 NWS airport sites pursuant to an agreement with the FAA, as well as for corrective maintenance of the system (0 pos.; +\$1,775).

Decreases are proposed in the NEXRAD program. These decreases support recommendations of B/G (Ret.) General Kelly (0 pos.; -\$1,245), and reduced requirements in the Central Computer Facility Upgrade program due to the discontinuation of lease payments on the Cray C-90 Class VII supercomputer (0 pos.; -\$3,400).

National Environmental Satellite, Data and Information Service (NESDIS)

Satellite Observing System	519	88,347	0	-32,861
----------------------------	-----	--------	---	---------

Beginning in FY 1998, funding in this subactivity includes the operation of current, on-orbit geostationary (GOES) and polar-orbiting (POES) satellites and the acquisition of data from non-NOAA satellites. Funding associated with the acquisition of geostationary and polar-orbiting operational environmental satellites, including the Polar Convergence (NPOESS) program, is now captured in the Procurement, Acquisition and Construction (PAC) account.

An increase is requested to provide for the mandatory cost increases associated with on-going satellite operations, and data processing and distribution (0 pos.; +\$1,139).

A decrease associated with the transfer of the NPOESS acquisition program to the Procurement, Acquisition and Construction (PAC) account, is also requested (0 pos.; -\$34,000).

Environmental Data Management Systems	277	47,385	0	-2,500
---------------------------------------	-----	--------	---	--------

No funding is requested for the Regional Climate Centers as this function can, and should be, privatized (0 pos.; -\$2,500).

Program Support

Administration and Services	1,135	60,470	-36	-2,420
-----------------------------	-------	--------	-----	--------

A decrease in funding is requested for the Systems Acquisition Office (SAO) reflecting the Administration's decision to domicile this office in the Office of the Secretary/General Administration (-36 pos.; -\$1,420). This transfer will enable the Department to strengthen its procurement oversight activities across all of its bureaus. A decrease is also requested in the Retired Pay Commissioned Officers/Disestablishment Costs line item (0 pos.; -\$1,000). The decrease assumes that NOAA Corps Disestablishment legislation will be enacted promptly in FY 1998, and that costs of benefits for retired officers will be assumed by the Department of Defense in FY 1998. It is also assumed that the transition will begin in FY 1998, with final disestablishment costs incurred in FY 1999.

Aircraft Services	107	10,400	0	+100
-------------------	-----	--------	---	------

An increase is requested for Aircraft Services to increase flight hours for winter storm surveillance and to provide funding for required dropwindsondes (0 pos.; +\$100).

<u>Fleet Maintenance and Planning</u>	12	13,500	0	-3,900
--	----	--------	---	--------

Upon enactment of the FY 1998 Appropriation, Fleet Maintenance and Planning became a new activity within the ORF account. All costs of on-going maintenance, minor repairs, and planning for future fleet modernization and replacement efforts, are captured in this ORF activity. Expenditures for future fleet modernization activities are accounted for in the Procurement, Acquisition and Construction account. The Fleet Modernization, Shipbuilding and Conversion account was discontinued in FY 1998.

Decreased funding is needed in FY 1999 in Fleet Maintenance and Planning to continue maintenance of existing ships

and repairs to the fisheries research ships MILLER FREEMAN and DAVID STARR JORDAN (0 pos.; -\$3,900).

Facilities

15	11,265	0	+5,135
----	--------	---	--------

In FY 1998, Facilities became a new activity within the ORF account. All costs of on-going preventive maintenance, minor repairs, general facilities planning and design, environmental compliance and leasing activities at NOAA's facilities, are now captured in this ORF activity. Expenditures for new construction or major modifications to existing NOAA facilities are captured in the Procurement, Acquisition and Construction account. Appropriation of new funding in the Construction account was discontinued in FY 1998.

An increase is proposed in the WFO maintenance program supporting recommendations of B/G (Ret.) General Kelly as they pertain to NOAA's routine and preventive maintenance of the full complement of operational WFOs (0 pos.; +\$4,400). An increase is also requested so that NOAA can conduct space planning activities and address consolidation requirements in the Washington, D.C. area, and in Norman, Oklahoma (0 pos.; +\$735).

Detailed Comparison by Program

NATIONAL OCEAN SERVICE	1998 Currently Avail.		1999 Base		1999 Estimate		Increase / Decrease	
	Perm Pos	Amount	Perm Pos	Amount	Perm Pos	Amount	Perm Pos	Amount
Navigation Services:								
Mapping & Charting	258	\$30,100	258	\$30,100	258	\$30,100	0	\$0
Address survey backlog		13,900		13,900		8,500	0	(5,400)
Subtotal	258	44,000	258	44,000	258	38,600	0	(5,400)
Geodesy	227	20,700	227	20,700	227	19,159	0	(1,541)
Tides and Current Data	145	11,350	145	11,350	145	11,000	0	(350)
Total, Navigation Services	630	76,050	630	76,050	630	68,759	0	(7,291)
Ocean Resources Conservation & Assessment:								
Estuarine & Coastal Assessment		2,674		2,674		2,674	0	0
Oceanic & coastal research	61	7,910	61	7,910	61	7,410	0	(500)
GLERL			60	6,825	60	6,025	0	(800)
Beaufort/Oxford			49	2,236	49	2,236	0	0
Ocean assessment program	237	35,300	237	35,300	237	33,075	0	(2,225)
Damage assessment		3,000		3,000		4,500	0	1,500
Trans. from Damage Assessmt Fund		6,915		5,683		5,683	0	0
Oil Pollution Act of 1990		1,000		1,000		1,000	0	0
Ocean Services		2,500		0		0	0	0
Subtotal	298	59,299	407	64,628	407	62,603	0	(2,025)
Coastal Ocean Science								
Coastal ocean program	21	17,200	21	17,200	21	17,800	0	600
Subtotal	21	17,200	21	17,200	21	17,800	0	600
Total, Ocean Res. Conservation & Assessment	319	76,499	428	81,828	428	80,403	0	(1,425)
Ocean & Coastal Management:								
Coastal Management								
CZM administration	51	4,500	51	4,500	51	4,500	0	0
CZM grants	0	49,700	0	49,700	0	49,700	0	0
CZM 309 grants						6,000	0	6,000
Estuarine research reserve system	0	5,650	0	5,650	0	4,300	0	(1,350)
Non-point pollution control	0	1,000	0	1,000	0	6,000	0	5,000
CZMF (obligate in fund)	(51)	(7,800)	(51)	(7,800)	(51)	(4,000)	0	3,800
Subtotal	0	53,050	0	53,050	0	66,500	0	13,450
Ocean Management								
Marine sanctuary program	100	14,000	100	14,000	100	13,200	0	(800)
Subtotal	100	14,000	100	14,000	100	13,200	0	(800)
Total, Ocean & Coastal Management	100	67,050	100	67,050	100	79,700	0	12,650
Acquisition of Data	196	14,546	196	14,546	196	14,546	0	0
TOTAL, NOS	1,245	234,145	1,354	239,474	1,354	243,408	0	3,934

NATIONAL MARINE FISHERIES SERVICE	1998 Currently Avail.		1999 Base		1999 Estimate		Increase / Decrease	
	Perm Pos	Amount	Perm Pos	Amount	Perm Pos	Amount	Perm Pos	Amount
Information Collection & Analyses:								
Resource Information	934	\$99,300	885	\$93,814	898	\$92,714	13	(\$1,100)
Antarctic research		1,200		1,200		1,200	0	0
Chesapeake Bay studies		1,890		1,890		1,500	0	(390)
Right whale research		400		400		200	0	(200)
MARFIN		3,500		3,500		3,000	0	(500)
SEAMAP		1,200		1,200		1,200	0	0
Alaskan groundfish surveys		950		950		661	0	(289)
Bering Sea pollock research		945		945		945	0	0
West Coast groundfish		780		780		780	0	0
New England stock depletion		1,000		1,000		1,000	0	0
Hawaii stock management plan		500		500		0	0	(500)
Yukon River chinook salmon		700		700		700	0	0
Atlantic salmon research		710		710		710	0	0
Gulf of Maine groundfish survey		567		567		567	0	0
Dolphin / Yellowfin tuna research		250		250		250	0	0
Habitat research / evaluation		450		0		0	0	0
Pacific salmon treaty program		5,587		5,587		5,587	0	0
Hawaiian monk seals		550		550		500	0	(50)
Stellar sea lion recovery program		2,770		2,770		1,440	0	(1,330)
Hawaiian sea turtles		248		248		248	0	0
Bluefish / striped bass		800		800		0	0	(800)
Halibut / Sablefish		1,200		1,200		1,200	0	0
Subtotal	934	125,497	885	119,561	898	114,402	13	(5,159)
Fishery Industry Information								
Fish statistics	146	13,000	146	13,000	148	14,500	2	1,500
Alaska groundfish monitoring		5,500		5,500		5,200	0	(300)
PACFIN / catch effort data		4,700		4,700		3,000	0	(1,700)
Rec. fishery harvest monitoring		3,900		3,900		3,100	0	(800)
Subtotal	146	27,100	146	27,100	148	25,800	2	(1,300)
Info. Analyses & Dissemination	246	20,900	246	20,900	246	20,900	0	0
Computer hardware and software		4,000		4,000		4,000	0	0
Subtotal, Info. Analyses & Dissem.	246	24,900	246	24,900	246	24,900	0	0
Total, Info. Collection & Analyses	1,326	177,497	1,277	171,561	1,292	165,102	15	(6,459)
Conservation & Management Operations:								
Fisheries Management Programs	208	27,250	208	27,250	215	34,400	7	7,150
Columbia River hatcheries		12,055		12,055		10,300	0	(1,755)
Columbia River end species studies		288		288		288	0	0
Regional councils		11,900		11,900		12,800	0	900
International fisheries commissions		400		400		400	0	0
Management of George's Bank		478		478		478	0	0
Beluga whale committee		200		200		200	0	0
Pacific tuna management		2,300		2,300		1,250	0	(1,050)
Fed. ship fin. fund expenses	0	(1,700)	0	(1,700)		0	0	1,700
Subtotal	208	53,171	208	53,171	215	60,116	7	6,945
Protected Species Management	262	6,200	253	6,200	253	6,200	0	0
Driftnet Act Implementation		3,278		3,278		3,278	0	0
Marine Mammal Protection Act		9,500		9,500		9,500	0	0
Endangered Spec Act recovery plan		20,200		20,200	19	30,450	19	10,250
Dolphin encirclement studies			9	3,800	9	3,300	0	(500)
Fishery observer training		417		417		0	0	(417)
East coast observers		350		350		350	0	0
Subtotal	262	39,945	262	43,745	281	53,078	19	9,333

	1998 Currently Available		1999 Base		1999 Estimate		Increase / Decrease	
	Perm Pos	Amount	Perm Pos	Amount	Perm Pos	Amount	Perm Pos	Amount
NATIONAL MARINE FISHERIES SERVICE								
Habitat Conservation	116	\$8,500	116	\$8,400	116	\$10,700	0	\$2,300
Enforcement & Surveillance	171	17,600	171	17,600	178	18,500	7	900
Total, Conserv. & Management Ops	757	119,216	757	122,916	790	142,394	33	19,478
State & Industry Assistance Programs								
Interjurisdictional fisheries grants		2,600		2,600	0	2,600	0	0
Anadromous grants		2,100		2,100		2,100	0	0
Anadromous fishery project		0		0		258	0	258
Interstate fish commissions		6,750		6,750		4,000	0	(2,750)
Subtotal	0	11,450	0	11,450	0	8,958	0	(2,492)
Fisheries Development Program								
Product quality and safety	93	10,524	93	10,524	86	9,824	(7)	(700)
Hawaiian fisheries development		750		750		0	0	(750)
Subtotal	93	11,274	93	11,274	86	9,824	(7)	(1,450)
Total, State & Industry Assist. Prog.	93	22,724	93	22,724	86	18,782	(7)	(3,942)
Acquisition of Data	296	25,098	296	25,098	296	25,098	0	0
TOTAL, NMFS	2,472	344,535	2,423	342,299	2,464	351,376	41	9,077
OCEANIC AND ATMOSPHERIC RESEARCH								
Climate & Air Quality Research:								
Interannual & Seasonal Climate Res.	38	\$12,900	38	\$12,900	38	\$12,900	0	\$0
Long-term Climate & Air Quality Res.	179	29,402	179	29,402	179	30,387	0	985
High Perform. Computing & Com.	4	7,500	4	7,500	4	12,500	0	5,000
Subtotal	221	49,802	221	49,802	221	55,787	0	5,985
GLOBE	9	5,000	9	5,000	9	6,000	0	1,000
Climate and Global Change	143	60,000	143	60,000	143	62,000	0	2,000
Subtotal	152	65,000	152	65,000	152	68,000	0	3,000
Total, Climate & Air Quality Research	373	114,802	373	114,802	373	123,787	0	8,985
Atmospheric Programs:								
Weather research	240	37,413	240	37,413	240	34,613	0	(2,800)
Wind profiler		4,350		4,350		4,350	0	0
Subtotal	240	41,763	240	41,763	240	38,963	0	(2,800)
Solar Terrestrial services & research	61	5,700	61	5,700	61	6,000	0	300
Total, Atmospheric Programs	301	47,463	301	47,463	301	44,963	0	(2,500)
Ocean & Great Lakes Programs:								
Marine Prediction Research	128	22,976	128	23,601	128	15,251	0	(8,350)
GLERL	60	6,000					0	0
Subtotal	188	28,976	128	23,601	128	15,251	0	(8,350)
Sea Grant							0	0
Sea Grant College Program	22	56,000	22	56,000	22	50,182	0	(5,818)
Subtotal	22	56,000	22	56,000	22	50,182	0	(5,818)
Undersea Research Program							0	0
Nat'l Undersea Research Program	8	15,500	8	15,500	8	4,150	0	(11,350)
Subtotal	8	15,500	8	15,500	8	4,150	0	(11,350)
Total, Ocean & Great Lakes Programs	218	100,476	158	95,101	158	69,583	0	(25,518)
Acquisition of Data	103	15,000	103	15,000	103	12,884	0	(2,116)
TOTAL, OAR	995	277,741	935	272,366	935	251,217	0	(21,149)

NATIONAL WEATHER SERVICE	<u>1998 Currently Avail.</u>		<u>1999 Base</u>		<u>1999 Estimate</u>		<u>Increase / Decrease</u>	
	<u>Perm Pos</u>	<u>Amount</u>	<u>Perm Pos</u>	<u>Amount</u>	<u>Perm Pos</u>	<u>Amount</u>	<u>Perm Pos</u>	<u>Amount</u>
Operations & Research:								
Local Warnings & Forecasts	4,351	\$395,854	4,351	\$395,854	4,359	\$417,237	8	\$21,383
MAROB		1,820		1,820		1,650	0	(170)
Advanced Hydrologic Prediction System						4,200	0	4,200
Radiosonde replacement		910		910		4,340	0	3,430
Susquehanna River Basin Flood System		1,120		1,120		619	0	(501)
Aviation forecasts		35,596		35,596		35,596	0	0
Subtotal	4,351	435,300	4,351	435,300	4,359	463,642	8	28,342
Central Forecast Guidance	276	29,543	276	29,543	276	35,574	0	6,031
Atmospheric & Hydrological Res.	39	2,489	39	2,489	39	2,964	0	475
Total, Operations & research	4,666	467,332	4,666	467,332	4,674	502,180	8	34,848
Systems Acquisition:								
Public Warning & Forecast Systems								
NEXRAD	128	39,591	128	39,591	128	38,346	0	(1,245)
ASOS	38	5,341	38	5,341	38	7,116	0	1,775
AWIPS / NOAAPort	0	0	0	0	13	12,189	13	12,189
Computer Facility Upgrades		8,000		8,000		4,600	0	(3,400)
Total, Systems Acquisition	166	52,932	166	52,932	179	62,251	13	9,319
TOTAL, NWS	4,832	520,264	4,832	520,264	4,853	564,431	21	44,167

**NATIONAL ENVIRONMENTAL
SATELLITE DATA &
INFORMATION SERVICE**

Satellite Observing Systems:								
Polar convergence (NPOESS)		\$34,000		\$34,000			0	(\$34,000)
Ocean remote sensing		4,000		4,000		4,000	0	0
Environmental Observing Services	519	50,347	519	50,347	519	51,486	0	1,139
Total, Satellite Observing Systems	519	88,347	519	88,347	519	55,486	0	(32,861)
Environmental Data Management Systems:								
Data & Information Services	277	27,500	277	28,550	277	28,550	0	0
Environmental Data Systems Modern.		16,335		16,335		16,335	0	0
Regional climate centers		2,500		2,500			0	(2,500)
Total, EDMS	277	46,335	277	47,385	277	44,885	0	(2,500)
TOTAL, NESDIS	796	134,682	796	135,732	796	100,371	0	(35,361)

PROGRAM SUPPORT

Administration & Services:								
Executive direction & administration	299	\$19,200	299	\$19,200	299	\$19,200	0	\$0
Systems Acquisition (SAO)	36	1,420	36	1,420			(36)	(1,420)
Subtotal	335	20,620	335	20,620	299	19,200	(36)	(1,420)
Central administrative support	800	31,850	800	31,850	800	31,850	0	0
Retired pay commissioned officers officers		8,000		8,000		7,000	0	(1,000)
Total, Administration & Services	1,135	60,470	1,135	60,470	1,099	58,050	(36)	(2,420)
Aircraft Services	107	10,400	107	10,400	107	10,500	0	100
TOTAL, PROGRAM SUPPORT	1,242	70,870	1,242	70,870	1,206	68,550	(36)	(2,320)
FLEET MAINTENANCE & PLANNING	12	13,500	12	13,500	12	9,600	0	(3,900)

	1998 Currently Avail.		1999 Base		1999 Estimate		Increase / Decrease	
	Perm Pos	Amount	Perm Pos	Amount	Perm Pos	Amount	Perm Pos	Amount
FACILITIES								
NOAA maintenance & repair	6	1,800	6	1,800	6	1,800	0	0
NOAA-wide space planning						735	0	735
Sandy Hook lease		2,000		2,000		2,000	0	0
Environmental compliance	9	2,000	9	2,000	9	2,000	0	0
WFO maintenance		1,000		1,000		5,400	0	4,400
Columbia River facilities		4,465		4,465		4,465	0	0
TOTAL FACILITIES	15	11,265	15	11,265	15	16,400	0	5,135
DIRECT OBLIGATIONS	11,609	1,607,002	11,609	1,605,770	11,635	1,605,353	26	(417)
Rent savings to finance Goddard		(4,656)					0	0
Rescission of unobligated balances		(20,500)					0	0
Offset for fee collections						(22,281)	0	(22,281)
TOTAL DIRECT OBLIGATIONS	11,609	1,581,846	11,609	1,605,770	11,635	1,583,072	26	(22,698)
REIMBURSABLE OBLIGATIONS	1,308	246,598	1,308	249,598	592	195,767	(716)	(53,831)
Navigation & Magnuson fee coll.						22,281	0	22,281
Offsetting collections (data sales)		2,400		2,400		3,600	0	1,200
Offsetting collections		3,000					0	0
Subtotal, Reimbursable Obligations	1,308	251,998	1,308	251,998	592	221,648	(716)	(30,350)
TOTAL OBLIGATIONS	12,917	1,833,844	12,917	1,857,768	12,227	1,804,720	(690)	(53,048)
FINANCING								
Prior year recoveries (direct)		(\$24,000)		(\$28,527)		(\$28,527)	0	\$0
Unobligated balance, transferred, net		(1,642)		(969)		(969)	0	0
Federal ship financing fund expenses		(1,700)					0	0
Offsetting collections (data sales)		(2,400)		(2,400)		(3,600)	0	(1,200)
Federal funds		(145,901)		(150,601)		(134,927)	0	15,674
Non-Federal funds		(98,997)		(98,997)		(60,840)	0	38,157
Offset for fee collections						(22,281)	0	(22,281)
Anticipated offsetting collections		(3,000)				0	0	0
Subtotal, Financing	(1,308)	(277,640)	(1,308)	(281,494)	(592)	(251,144)	716	30,350
TOTAL BUDGET AUTHORITY	11,609	1,556,204	11,609	1,576,274	11,635	1,553,576	26	(22,698)
FINANCING FROM:								
Promote & develop American fisheries		(62,381)		(62,381)		(62,381)	0	0
Damage assessment & rest. revol. fund		(5,273)		(4,714)		(4,714)	0	0
Subtotal	0	(67,654)	0	(67,095)	0	(67,095)	0	0
NET APPROPRIATION	11,609	1,488,550	11,609	1,509,179	11,635	1,486,481	26	(22,698)
Anticipated offsetting collections (aerocharts)		3,000					0	0
GROSS APPROPRIATION, ORF	11,609	1,491,550	11,609	1,509,179	11,635	1,486,481	26	(22,698)

	Summary	
	Perm Pos	Amount
1998 Enacted	239	\$491,609
Adjustments to Base	0	0
1999 Base	239	491,609
Program Changes	(54)	133,986
TOTAL REQUIREMENTS	185	625,595
Recoveries from prior year obligations	0	(4,000)
1999 APPROPRIATION	185	621,595

	1998 Currently Avail.		1999 Base		1999 Estimate		Increase / Decrease	
	Perm Pos	Amount	Perm Pos	Amount	Perm Pos	Amount	Perm Pos	Amount
DIRECT OBLIGATIONS								
Systems Acquisition:								
NEXRAD	27	\$6,377	27	\$6,377	11	\$9,170	(16)	\$2,793
ASOS	10	4,494	10	4,494		3,855	(10)	(639)
AWIPS / NOAA Port	117	116,910	117	116,910	89	67,667	(28)	(49,243)
Computer Facility Upgrade		5,000		5,000		9,900	0	4,900
POES K-N'	33	82,905	33	82,905	33	159,917	0	77,012
NPOESS						64,698	0	64,698
GOES I-M		105,139		105,139		99,634	0	(5,505)
GOES N-Q	47	110,861	47	110,861	47	190,508	0	79,647
Subtotal	234	431,686	234	431,686	180	605,349	(54)	173,663
Construction:								
Boulder lab - above standard costs		2,900		2,900		5,670	0	2,770
WFO Construction	5	13,823	5	13,823	5	9,526	0	(4,297)
National Centers for Environmental Prediction						850	0	850
Tiburon / Santa Cruz		15,200		15,200		4,200	0	(11,000)
Nat'l Estuarine Research Reserves		8,000		8,000			0	(8,000)
Honolulu fisheries lab		2,000		2,000			0	(2,000)
Gulf coast lab		5,000		5,000			0	(5,000)
Alaska facilities / Auke Cape		8,000		8,000			0	(8,000)
Pribilof Island clean-up		5,000		5,000			0	(5,000)
Subtotal	5	59,923	5	59,923	5	20,246	0	(39,677)
Fleet Modernization							0	0
Subtotal, PAC	239	491,609	239	491,609	185	625,595	(54)	133,986
Deobligations				(4,000)		(4,000)	0	0
Total, PAC	239	491,609	239	487,609	185	621,595	(54)	133,986

Highlights of Program Changes

	<u>Positions</u>	<u>Base Amount</u>	<u>Increase / Decrease Positions</u>	<u>Amount</u>
--	------------------	------------------------	--	---------------

Procurement, Acquisition and Construction (PAC)

This account was established as an annual appropriation in the FY 1998 Congressional appropriation. The objective of the PAC account is to capture the non-recurring costs of acquiring and/or improving capital assets used by NOAA in carrying out its varied missions. In FY 1999 in conjunction with OMB Circular A-11, as amended, NOAA seeks advanced appropriations for certain capital assets falling into this category which will allow it to realize procurement efficiencies, management accountability, as well as to reflect the full cost of assets for cost/benefit evaluations. See table below for annual amounts for the period FY 1999 - FY 2003, and FY 2004 to completion.

Systems Acquisition	234	\$431,686	-54	+\$173,663
---------------------	-----	-----------	-----	------------

Increased funding is required as follows: in the Next Generation Weather Radar (NEXRAD) program to continue the tri-agency planned product improvement initiative that will lead to extended life of the network, lower life cycle costs and improved NEXRAD products (-16 pos.; +\$2,793); in the Computer Facilities Upgrade program to continue the lease with an option to purchase of the Class VIII supercomputer, and to begin replacing old interactive computer workstations (0 pos.; +\$4,900); in the Polar-orbiting Operational Environmental Satellite (POES) acquisition program primarily due to the consumption of FY 1997 surplus funding in the program in FY 1998 (which had the effect of lowering the new appropriation requirements in FY 1998) (-13 pos.; +\$77,012); in the NPOESS program due to the transfer of the program from OR&F to the PAC account, as well as increased sensor development activities (+13 pos.; +\$64,698); and in the Geostationary Operational Environmental Satellite (GOES) acquisition program due primarily to the ramp-up of activity in the GOES N - Q spacecraft acquisition portion of the program (0 pos.; +\$74,142).

Decreased funding is requested in the Automated Surface Observing System (ASOS) program to fund planned product improvement, and sensor development and deployment associated with meeting airline industry service levels (0 pos.; -\$639); and in the Advanced Weather Interactive Processing System (AWIPS) program reflecting the completion of the deployment phase of the program (-28 pos.; -\$49,243).

Construction	5	59,923	0	-39,677
--------------	---	--------	---	---------

An increase is needed to complete the above standard cost items associated with the Boulder Laboratory construction and to provide relocation expenses (0 pos.; +\$2,770); and for the construction activities of the National Centers for Environmental Prediction, mainly the Aviation Weather Center (0 pos.; +\$850).

A decrease is proposed for Weather Forecast Office (WFO) construction as the program is nearing completion (0 pos.; -\$4,297) and for the Santa Cruz Research Laboratory reflecting its completion in FY 1999 (0 pos.; -\$11,000). Decreases are proposed for the following projects either because they had non-recurring funding requirements in FY 1998, or the project is of lower priority to NOAA: National Estuarine Research Reserve (0 pos.; -\$8,000), Honolulu Fisheries Laboratory (0 pos.; -\$2,000), Gulf Coast Laboratory (0 pos.; -\$5,000), Alaska Facilities/Auke Cape (0 pos.; -\$8,000), and the Pribilof Island Clean-up (0 pos.; -\$5,000).

Fleet Modernization	0	0	0	0
---------------------	---	---	---	---

No increase or decrease of funding is requested for this activity in FY 1999.

Summary of Projects Involving Capital Assets Acquisition

<u>Procurement, Acquisition & Construction Acct.</u>	<u>1998</u>							<u>FY 2004 -</u>
	<u>Approp.</u>	<u>FY 1999</u>	<u>FY 2000</u>	<u>FY 2001</u>	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2011</u>	<u>Total</u>
NEXRAD *	\$6,377	\$9,170	\$6,060	\$5,495	\$3,975	\$8,500	\$5,855	\$45,432
ASOS *	4,494	3,855	4,180	7,285	7,840	5,325	3,500	36,479
AWIPS *	116,910	67,667	4,115	4,215	4,115	4,115	32,000	233,137
Computer Facility Upgrade *	5,000	9,900	12,142	9,250	12,250	9,250	9,250	67,042
POES K-N' *	82,905	159,917	110,576	93,425	82,830	66,114	122,042	717,809
NPOESS		64,698	95,658	132,220	214,861	257,298	TBD	764,735
GOES I-M *	105,139	99,634	81,321	55,406	9,300	7,300		358,100
GOES N-Q *	110,861	190,508	229,625	245,305	194,437	191,770	1,137,613	2,300,119
Boulder Lab ASC	2,900	5,670						8,570
WFO Construction *	13,823	9,526	8,922	6,882	3,362	3,212	25,696	71,423
NCEP		850						850
Tiburon / Santa Cruz	15,200	4,200						19,400
Nat'l Estuarine Research Reserves	8,000							8,000
Honolulu fisheries lab	2,000							2,000
Gulf coast lab	5,000							5,000
Alaska facilities / Auke Cape	8,000							8,000
Pribilof Island clean-up	5,000							5,000
Fleet Modernization			39,597	39,386	39,778	40,226	TBD	158,987
Subtotal, PAC obligations	491,609	625,595	592,196	598,869	572,748	593,110	1,335,956	4,810,083
Deobligations		(4,000)	(6,200)	(8,404)	(10,612)	(10,824)	//	(40,040)
Total, PAC Budget Authority	491,609	621,595	585,996	590,465	562,136	582,286	1,335,956	4,770,043

* Advanced appropriations are requested for these items.

NON-CAPITAL PORTION (ORF)

NEXRAD	\$39,591	\$38,346	\$38,346	\$38,346	\$38,346	\$38,346	//	\$231,321
ASOS	5,341	7,116	7,176	7,317	7,452	7,608	//	42,010
AWIPS	0	12,189	29,716	28,125	27,666	28,124	//	125,820
Computer Facility Upgrade	8,000	4,600	600	600	1,600	600	//	16,000
POES K-N'								0
NPOESS								0
GOES I-M								0
GOES N-Q								0
Boulder Lab ASC								0
WFO Construction								0
NCEP								0
Tiburon / Santa Cruz								0
Nat'l Estuarine Research Reserves								0
Honolulu fisheries lab								0
Gulf coast lab								0
Alaska facilities / Auke Cape								0
Pribilof Island clean-up								0
Fleet Modernization								0
Subtotal, ORF obligations	52,932	62,251	75,838	74,388	75,064	74,678	0	415,151
Deobligations								0
Total, ORF Budget Authority	52,932	62,251	75,838	74,388	75,064	74,678	0	415,151

	<u>1998</u>						<u>FY 2004 -</u>	
<u>TOTAL PROGRAM</u>	<u>Approp.</u>	<u>FY 1999</u>	<u>FY 2000</u>	<u>FY 2001</u>	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2010</u>	<u>Total</u>
NEXRAD	\$45,968	\$47,516	\$44,406	\$43,841	\$42,321	\$46,846	\$5,855	\$276,753
ASOS	9,835	10,971	11,356	14,602	15,292	12,933	3,500	78,489
AWIPS	116,910	79,856	33,831	32,340	31,781	32,239	32,000	358,957
Computer Facility Upgrade	13,000	14,500	12,742	9,850	13,850	9,850	9,250	83,042
POES K-N'	82,905	159,917	110,576	93,425	82,830	66,114	122,042	717,809
NPOESS	0	64,698	95,658	132,220	214,861	257,298	TBD	764,735
GOES I-M	105,139	99,634	81,321	55,406	9,300	7,300	0	358,100
GOES N-Q	110,861	190,508	229,625	245,305	194,437	191,770	1,137,613	2,300,119
Boulder Lab ASC	2,900	5,670	0	0	0	0	0	8,570
WFO Construction	13,823	9,526	8,922	6,882	3,362	3,212	25,696	71,423
NCEP	0	850	0	0	0	0	0	850
Tiburon / Santa Cruz	15,200	4,200	0	0	0	0	0	19,400
Nat'l Estuarine Research Reserves	8,000	0	0	0	0	0	0	8,000
Honolulu fisheries lab	2,000	0	0	0	0	0	0	2,000
Gulf coast lab	5,000	0	0	0	0	0	0	5,000
Alaska facilities / Auke Cape	8,000	0	0	0	0	0	0	8,000
Pribilof Island clean-up	5,000	0	0	0	0	0	0	5,000
Fleet Modernization	0	0	39,597	39,386	39,778	40,226	TBD	158,987
Subtotal, Obligations	544,541	687,846	668,034	673,257	647,812	667,788	1,335,956	5,225,234
Deobligations	0	(4,000)	(6,200)	(8,404)	(10,612)	(10,824)	0	(40,040)
Total, Budget Authority	544,541	683,846	661,834	664,853	637,200	656,964	1,335,956	5,185,194

APPROPRIATION: Fishing Vessel & Gear Damage Compensation Fund

Comparison by Activity

	<u>1998 Currently Avail</u>		<u>1999 Base</u>		<u>1999 Estimate</u>		<u>Increase / Decrease</u>	
	<u>Perm Pos</u>	<u>Amount</u>	<u>Perm Pos</u>	<u>Amount</u>	<u>Perm Pos</u>	<u>Amount</u>	<u>Perm Pos</u>	<u>Amount</u>
DIRECT OBLIGATIONS								
Payment of claims	0	\$81	0	\$0	0	\$0	0	\$0
TOTAL OBLIGATIONS	0	81	0	0	0	0	0	0
FINANCING								
Unobligated balance, start of year		(81)						
TOTAL APPROPRIATION	0	0	0	0	0	0	0	0

Highlights of Program Changes

	<u>Base</u>		<u>Increase / Decrease</u>	
	<u>Positions</u>	<u>Amount</u>	<u>Positions</u>	<u>Amount</u>
<u>Fishing Vessel and Gear Damage Compensation Fund</u>	0	0	0	0

No foreign fishing vessel surcharges have been collected since 1984. The fund will be depleted by the end of 1998, thereby eliminating the need for the fund.

APPROPRIATION: Fishermen's Contingency Fund

Summary of Requirements

	<u>Summary</u>	
	<u>Perm Pos</u>	<u>Amount</u>
1998 Enacted	1	\$953
TOTAL, ADJUSTMENTS TO BASE	0	0
1999 Base	1	953
Program Changes	0	0
1999 APPROPRIATION	1	953

Comparison by Activity

	<u>1998 Currently Avail</u>		<u>1999 Base</u>		<u>1999 Estimate</u>		<u>Increase / Decrease</u>	
	<u>Perm Pos</u>	<u>Amount</u>	<u>Perm Pos</u>	<u>Amount</u>	<u>Perm Pos</u>	<u>Amount</u>	<u>Perm Pos</u>	<u>Amount</u>
DIRECT OBLIGATIONS								
Administrative expenses	1	\$89	1	\$89	1	\$89	0	\$0
Payment of claims and other services	0	2,600	0	864	0	864	0	0
TOTAL OBLIGATIONS	1	2,689	1	953	1	953	0	0
FINANCING								
Unobligated balance, start of year		(1,736)						
TOTAL APPROPRIATION	1	953	1	953	1	953	0	0

APPROPRIATION: Foreign Fishing Observer Fund

Summary of Requirements

	<u>Summary</u>	
	<u>Perm Pos</u>	<u>Amount</u>
1998 Enacted	0	\$189
TOTAL, ADJUSTMENTS TO BASE	0	0
1999 Base	0	189
Program Changes	0	0
1999 APPROPRIATION	0	189

Comparison by Activity

	<u>1998 Currently Avail</u>		<u>1999 Base</u>		<u>1999 Estimate</u>		<u>Increase / Decrease</u>	
	<u>Perm Pos</u>	<u>Amount</u>	<u>Perm Pos</u>	<u>Amount</u>	<u>Perm Pos</u>	<u>Amount</u>	<u>Perm Pos</u>	<u>Amount</u>
DIRECT OBLIGATIONS								
Foreign fishing observer fund	0	\$1,496	0	\$189	0	\$189	0	\$0
TOTAL OBLIGATIONS	0	1,496	0	189	0	189	0	0
FINANCING								
Unobligated balance, start of year		(1,307)						
TOTAL APPROPRIATION	0	189	0	189	0	189	0	0

APPROPRIATION: Fisheries Finance Program Account

Summary of Requirements

	<u>Summary</u>	
	<u>Perm Pos</u>	<u>Amount</u>
1998 Enacted	0	\$338
TOTAL, ADJUSTMENTS TO BASE	0	0
1999 Base	0	338
Program Changes	0	(100)
1999 APPROPRIATION	0	238

Comparison by Activity

	<u>1998 Currently Avail</u>		<u>1999 Base</u>		<u>1999 Estimate</u>		<u>Increase / Decrease</u>	
	<u>Perm Pos</u>	<u>Amount</u>	<u>Perm Pos</u>	<u>Amount</u>	<u>Perm Pos</u>	<u>Amount</u>	<u>Perm Pos</u>	<u>Amount</u>
DIRECT OBLIGATIONS								
Payment of claims and other services	0	\$346	0	\$338	0	\$238	0	(\$100)
TOTAL OBLIGATIONS	0	346	0	338	0	238	0	(100)
FINANCING								
Unobligated balance, start of year		(8)						
TOTAL APPROPRIATION	0	338	0	338	0	238	0	(100)

This account was established in FY 1997 to cover the cost of financing direct loans as authorized by the Magnuson-Stevens Fisheries Conservation and Management Act Amendments of 1996. The FY 1998 Appropriation will support \$23.8 million in direct loans.

APPROPRIATION: Promote and Develop American Fishery Products & Research Pertaining to American Fisheries

The American Fisheries Promotion Act of 1980 authorized a grants program for fisheries research and development projects to be carried out with Saltonstall-Kennedy (S-K) funds. S-K funds are derived from duties on imported fisheries products; 30% of these duties are transferred from the Department of Agriculture to the Department of Commerce. The FY 1999 budget estimate of the transfer is \$65.7 million. Of this amount, \$3.4 million will be used for the grants program, and the remaining \$62.4 million will be transferred to ORF.

Summary of Requirements

	<u>Detailed</u>		<u>Summary</u>	
	<u>Perm Pos</u>	<u>Amount</u>	<u>Perm Pos</u>	<u>Amount</u>
1998 Enacted			5	\$0
<u>Transfers</u>				
From Department of Agriculture	0	65,734		
Interbureau transfer	0	(62,381)		
Total Transfers			0	3,353
Adjustments to Base				
1999 Base			5	3,353
Program Changes			0	0
TOTAL REQUIREMENTS			5	3,353
Transfers			0	0
From Department of Agriculture			0	(65,734)
To NOAA ORF			0	62,381
1999 APPROPRIATION			5	0

Comparison by Activity

	1998 Currently Avail		1999 Base		1999 Estimate		Increase / Decrease	
	Perm Pos	Amount	Perm Pos	Amount	Perm Pos	Amount	Perm Pos	Amount
DIRECT OBLIGATIONS								
Administrative expenses	5	\$566	5	\$566	5	\$566	0	\$0
Grants	0	3,783	0	2,787	0	2,787	0	0
TOTAL OBLIGATIONS	5	4,349	5	3,353	5	3,353	0	0
FINANCING								
Unobligated balance, start of year		(996)					0	0
TOTAL BUDGET AUTHORITY	5	3,353	5	3,353	5	3,353	0	0
TRANSFERS								
From Department of Agriculture		(65,734)		(65,734)		(65,734)	0	0
To "Operations, Research & Facilities"		62,381		62,381		62,381	0	0
TOTAL APPROPRIATION	5	0	5	0	5	0	0	0

APPROPRIATION: Damage Assessment and Restoration Revolving Fund

This fund was established in 1990 to facilitate oil and hazardous material spill response, damage assessment and natural resources restoration activities. The Fund retains sums transferred by parties or government entities for future use. The source of these funds are settlements and awards by the courts. In FY 1999, receipts from settlements are expected to be \$1.5 million.

Summary of Requirements

	Detailed		Summary	
	Perm Pos	Amount	Perm Pos	Amount
1998 Enacted			0	\$0
<u>Transfers</u>				
From Department of Interior	0	\$3,214		
From Department of Interior unobligated Balance	0	969		
Intrabureau transfer	0	(5,683)		
Total Transfers			0	(1,500)
<u>Financing:</u>				
Fee collections in 1998			0	1,500
Adjustments to Base			0	0
1999 Base			0	0
Program Changes			0	0
TOTAL REQUIREMENTS			0	0
Fee collections			0	(1,500)
Transfers				
From Department of Interior			0	(3,214)
From Department of Interior unobligated Balance			0	(969)
To NOAA ORF			0	5,683
1999 APPROPRIATION			0	0

Comparison by Activity

	1998 Currently Avail		1999 Base		1999 Estimate		Increase / Decrease	
	Perm Pos	Amount	Perm Pos	Amount	Perm Pos	Amount	Perm Pos	Amount
DIRECT OBLIGATIONS								
DARRF	0	\$3,086	0	\$0	0	\$0	0	\$0
Unobligated balance, transfer from DOI	0	1,642	0	969	0	969	0	0)
Unobligated balance, transfer to ORF	0	(1,642)	0	(969)	0	(969)	0	0
TOTAL OBLIGATIONS	0	3,086	0	0	0	0	0	0
FINANCING								
Estimated Collections		(1,500)		(1,500)		(1,500)	0	0
Unobligated balance, start of year		(3,086)		0		0	0	0
TOTAL BUDGET AUTHORITY	0	(1,500)	0	(1,500)	0	(1,500)	0	0
TRANSFERS								
From Department of Interior		(3,773)		(3,214)		(3,214)	0	0
To "Operations, Research & Facilities"		5,273		4,714		4,714	0	0)
TOTAL APPROPRIATION	0	0	0	0	0	0	0	0

APPROPRIATION: Coastal Zone Management Fund (CZMF)

The FY 1999 budget proposes reducing CZMF obligations from \$7.8 million to \$ \$4.0 million. This decrease is caused by declining fund balances. By the end of FY 1998, the Fund balance will be approximately \$1.1 million. The FY 1999 budget proposes that \$4.0 million be used to support CZM program administration. This sum will be augmented by \$0.5 million of ORF funds, bring the total CZM program administration request to \$4.5 million.

Summary of Requirements

	Summary	
	Perm Pos	Amount
1998 Enacted	51	\$0
<u>Financing:</u>		
Fee collections in 1998	0	4,736
Unobligated balance	0	3,064
Adjustments to Base		
1999 Base	51	7,800
Program Changes	0	(3,800)
TOTAL REQUIREMENTS	51	4,000
Fee collections	0	(4,000)
1999 APPROPRIATION	51	0

Comparison by Activity

	<u>1998 Currently Avail</u>		<u>1999 Base</u>		<u>1999 Estimate</u>		<u>Increase / Decrease</u>	
	<u>Perm Pos</u>	<u>Amount</u>	<u>Perm Pos</u>	<u>Amount</u>	<u>Perm Pos</u>	<u>Amount</u>	<u>Perm Pos</u>	<u>Amount</u>
DIRECT OBLIGATIONS								
Coastal Zone Management	51	\$7,800	51	\$7,800	51	\$4,000	0	(\$3,800)
TOTAL OBLIGATIONS	51	7,800	51	7,800	51	4,000	0	(3,800)
FINANCING								
Unobligated balance, start of year		(4,238)		(4,238)		(1,174)	0	3,064
Unobligated balance, end of year		1,174		1,174		1,174	0	0
Offsetting collections		(4,736)		(4,736)		(4,000)	0	736
TOTAL APPROPRIATION	51	0	51	0	51	0	0	0

APPROPRIATION: Federal Ship Financing Fund

Summary of Requirements

	<u>Summary</u>	
	<u>Perm Pos</u>	<u>Amount</u>
1998 Enacted	0	\$700
Adjustments to Base		
<u>Adjustments</u>		
Non-recurring items	0	(700)
TOTAL, ADJUSTMENTS TO BASE	0	(700)
1999 Base	0	0
Program Changes	0	0
1999 APPROPRIATION	0	0

Comparison by Activity

	<u>1998 Currently Avail</u>		<u>1999 Base</u>		<u>1999 Estimate</u>		<u>Increase / Decrease</u>	
	<u>Perm Pos</u>	<u>Amount</u>	<u>Perm Pos</u>	<u>Amount</u>	<u>Perm Pos</u>	<u>Amount</u>	<u>Perm Pos</u>	<u>Amount</u>
DIRECT OBLIGATIONS								
Support services	0	\$700	0	\$0	0	\$0	0	\$0
TOTAL OBLIGATIONS	0	700	0	0	0	0	0	0
FINANCING								
Unobligated balance, start of year		0						
Offsetting collections from:								
Non-Federal sources		0						
TOTAL APPROPRIATION	0	700	0	0	0	0	0	0

PATENT AND TRADEMARK OFFICE

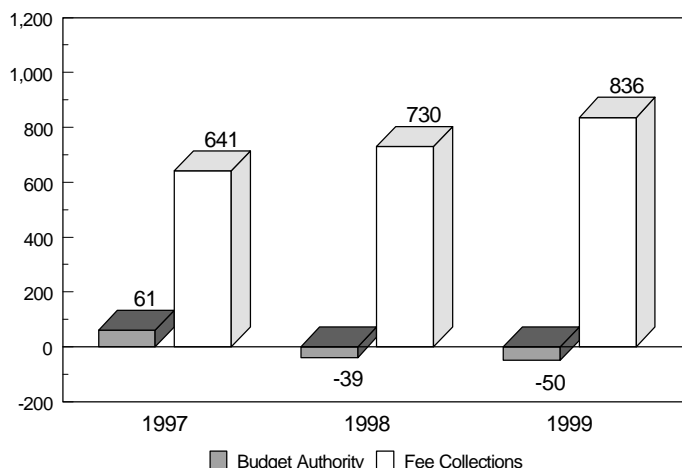
The Patent and Trademark Office (PTO) is charged with administering the patent and trademark laws of the United States. PTO examines patent applications, grants patent protection to qualified inventions and disseminates technological information disclosed in patents. PTO also examines trademark applications and provides Federal registration to owners of qualified trademarks.

The PTO will spend \$786 million in FY 1999 to keep pace with rapid workload growth and to make significant investments in process automation and information technology. Offsetting collections will total \$836 million in FY 1999 from fees charged pursuant to 15 U.S.C. 1113 and 35 U.S.C. 41 and 376, of which \$182 million is subject to enactment of authorization to increase fees collected pursuant to 35 U.S.C. 41. From offsetting collections in FY 1999 and from balances of prior year fees, \$116 million shall be rescinded to support the President's goal of achieving a balanced budget.

PTO supports all three Department Strategic Themes. PTO's goal under Economic Infrastructure is the protection of intellectual property rights. Under

PTO FUNDING

(Dollars in Millions)



Science/Technology/Information, PTO's goal is promoting awareness of patent and trademark information. Under Resources/Assets Management / Stewardship, PTO's goal is granting exclusive rights for intellectual property. For FY 1999, PTO will focus on the following performance measures:

	1997	1998	1999
PATENT BUSINESS			
Application Disposals by Examiners	196,688	194,600	218,700
Patent Grants Printed	112,646	142,663	144,971
Total Pendency in Office (in months)	22.2	22.7	20.9
Average Cycle Time (in months)	16.0	15.0	13.8
TRADEMARK BUSINESS			
Trademark Registrations Printed	112,509	125,000	137,500
Pending Time to First Action (in months)	6.4	5.9	3.9
Pending Time to Registration/Abandonment (in months)	15.4	16.5	15.5

SUMMARY OF APPROPRIATIONS

(Dollars in Thousands)

FUNDING LEVELS

	<u>1997</u>	<u>1998</u>	<u>1999</u> <u>Estimate</u>	Increase <u>(Decrease)</u>
Appropriation				
Salaries and Expenses	\$702,633	\$691,200	\$785,526	\$94,326
Fee collections	(641,381)	(730,068)	(836,000)	(105,932)
FY 1998 fee collections not available until FY 1999		65,868	(65,868)	(131,736)
TOTAL APPROPRIATION	61,252	27,000	(116,342)	(143,342)
Transfer:				
To Office of the Inspector General (P.L. 104- 208)	(432)			
Unavailable Offsetting Collections due to limitation in FY 1998 and becoming available for rescission in FY 1999		(65,868)	65,868	131,736
TOTAL BUDGET AUTHORITY	60,820	(38,868)	(50,474)	(11,606)
Surcharge Fund Deposits	115,000	119,000	0	(119,000)
PERMANENT POSITIONS				
Salaries and Expenses	5,990	5,889	7,061	1,172

HIGHLIGHTS OF BUDGET CHANGES

APPROPRIATION: Salaries and Expenses

Summary of Requirements

	<u>Detailed</u>		<u>Summary</u>	
	<u>Perm Pos</u>	<u>Amount</u>	<u>Perm Pos</u>	<u>Amount</u>
Appropriation, 1998				
Special Fund			5,889	\$27,000
Fee collections in 1998			0	664,000
Funds Currently Available, 1998			5,889	691,000

Adjustments to Base

Other Changes

1998 Pay raise	0	\$1,580		
1999 Pay raise	0	8,038		
Payment to the Working Capital Fund	0	46		
Full year cost in 1999 of positions financed for part year in 1998	0	2,287		
Within-grade step increases	0	4,325		
Civil Service Retirement and Disability Fund	0	(437)		
Civil Service Retirement System(CSRS)	0	951		
Federal Employees' Retirement System(FERS)	0	(666)		
Thrift Savings Plan	0	129		
Federal Insurance Contributions Act (FICA) -OASDI	0	411		
Health insurance	0	507		
Employees' Compensation Fund	0	107		
Rent payments to GSA	0	1,544		
Printing and reproduction	0	968		
Other services:				
Working Capital Fund	0	300		
Commerce Administrative Management System (CAMS)	0	(758)		
General Pricing Level Adjustment	0	3,439		
Subtotal, other cost changes			0	22,771
Less Amount Absorbed			0	(1,220)
TOTAL, ADJUSTMENTS TO BASE			0	21,551
1999 Base			5,889	712,551
Program Changes			1,172	72,975
TOTAL REQUIREMENTS			7,061	785,526
Total Offsetting Fee collections			0	(836,000)
Offsetting collections to be rescinded in FY 1999			0	[-50,474]
FY 1998 offsetting collections to be rescinded in FY 1999			0	(65,868)
1999 APPROPRIATION			7,061	(116,342)

Comparison by Activity

	<u>1998 Currently Avail</u>		<u>1999 Base</u>		<u>1999 Estimate</u>		<u>Increase / Decrease</u>	
	<u>Perm Pos</u>	<u>Amount</u>	<u>Perm Pos</u>	<u>Amount</u>	<u>Perm Pos</u>	<u>Amount</u>	<u>Perm Pos</u>	<u>Amount</u>
DIRECT OBLIGATIONS								
Patent Process	4,358	\$523,488	4,358	\$535,335	5,390	\$595,345	1,032	\$60,010
Trademark Process	873	86,352	872	78,131	949	81,799	77	3,668
Information Dissemination	321	53,902	321	53,890	367	60,980	46	7,090
Executive Direction and Administration	337	47,942	338	45,195	355	47,402	17	2,207
TOTAL OBLIGATIONS	5,889	711,684	5,889	712,551	7,061	785,526	1,172	72,975
FINANCING								
Offsetting collections from:								
Non-Federal sources		(664,000)				(836,000)		
Unobligated balance, start of year		(20,684)				(65,868)		
Subtotal, financing	0	(684,684)			0	(901,868)		
TOTAL, APPROPRIATION	5,889	27,000			7,061	(116,342)		
Unavailable Offsetting Collections due to limitation in FY 1998 and becoming available in FY 1999		(65,868)				65,868		
TOTAL, BUDGET AUTHORITY		(38,868)				(50,474)		

Highlights of Program Changes

	<u>Base</u>		<u>Increase / Decrease</u>	
	<u>Permanent Positions</u>	<u>Amount</u>	<u>Permanent Positions</u>	<u>Amount</u>
<u>Patent Process</u>	4,358	\$535,335	+1,032	+\$60,010

An increase (+1,032 pos.; +\$60,010) is requested for Patent Process activities. This program level will provide adequate resources for addressing increasing patent application filings and working toward achieving the goal of 12 month cycle time in FY 2003 by enlarging the cadre of examiners, streamlining application processing and incrementally automating patent processing and implementing process reengineering.

<u>Trademark Process</u>	872	78,131	+77	+3,668
--------------------------	-----	--------	-----	--------

Resources are requested to meet continuing increases in trademark workloads. Applications are expected to grow from 224,000 in 1998 to 250,000 in 1999. An increase is also necessary to process the growing number of trademark opposition and appeal cases (+77 pos.; +\$3,668). These resources will allow the trademark organization to reach its goal of 15.5 month pendency by the end of FY 1999.

<u>Information Dissemination and Technology</u>	321	53,890	+46	+7,090
---	-----	--------	-----	--------

An increase (+46 pos.; +\$7,090) is included to enhance further processes and services which provide Patent and Trademark information directly to the public and through libraries and the internet.

<u>Executive Direction and Administration</u>	338	45,195	+17	+2,207
---	-----	--------	-----	--------

An increase (+6 pos.; +\$1,628) is included for Policy to carry on the legislative and international activities to promote intellectual property protection. An increase (+11 pos.; +\$579) is also included in Resource Management to ensure regulatory compliance and the availability of timely, reliable and accurate financial information throughout the bureau.

Offsetting collections

712,551

+72,975

The PTO increased patent fees in FY 1998 by the estimated change in the Consumer Price Index (CPI). The surcharge on statutory patent fees, established by the Omnibus Budget Reconciliation of 1990 (and extended in 1993), will expire at the end of FY 1998 reducing PTO revenues by \$182 million. PTO requires legislation to increase the fees charged pursuant to 35 U.S.C. 41 so that patent fee revenues continue to cover the costs of patent processing and related services.

TECHNOLOGY ADMINISTRATION

Office of the Under Secretary / Office of Technology Policy

Led by the Under Secretary for Technology, the Technology Administration (TA) is the focal point for civilian technology and competitiveness issues within the Administration. TA is the primary agency within the Federal government that works in partnership with the private sector to improve U.S. industrial competitiveness and to exercise leadership as the private sector's advocate.

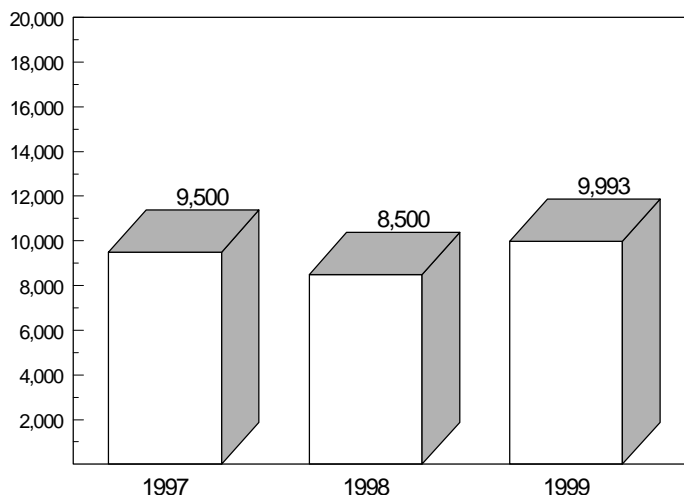
The Under Secretary for Technology oversees three agencies: the Office of Technology Policy (OTP), the National Institute of Standards and Technology, and the National Technical Information Service, as well as the Office of Air and Space Commercialization within the Office of the Under Secretary.

The Under Secretary and the Office of Technology Policy are responsible for coordinating a National technology policy. The Under Secretary serves on the Executive Committee of the Committee on Technological Innovation (CTI) within the President's National Science and Technology Council. The CTI helps to establish priorities for research and development in the areas of materials, construction and building, manufacturing infrastructure, electronics and automotive technologies. The Under Secretary also chairs the high-level coordinating committee overseeing the Partnership for a New Generation of Vehicles Initiative (PNGV), a unique 10-year partnership between the Federal government and the Nation's automakers.

OTP works to promote technology development and commercialization by serving as the Federal government's primary advocate and analyst for innovation and industrial competitiveness. OTP administers the National Medal of Technology, a Presidential award program that celebrates America's spirit of innovation and recognizes excellence in technological innovation and commercialization.

US/OTP FUNDING

(Dollars in Thousands)



OTP will also continue its highly successful Partnership for a Competitive Economy (PACE) initiative. Working with state and local government, business and academia, OTP conducts conferences around the country to maintain a dialogue on how the Federal government can help companies compete in the global economy.

The activities under this account support two themes of the Commerce Strategic Plan: Build for the future and promote U.S. competitiveness in the global marketplace by strengthening and safeguarding the Nation's economic infrastructure; and, Keep America competitive with cutting-edge science and technology and an unrivaled information base. For FY 1999, US/OTP will focus on the following performance measures:

	1997	1998	1999
Partnership Analyses	6	6	6
Industrial Outreach Mechanisms	6	6	7
EPSCoT Grants Awarded	0	4	6
Partnership Agreements with States	0	5	10
Collaborative Projects	0	4	10
PNGV Successful Peer Reviews	1	1	1

SUMMARY OF APPROPRIATIONS

(Dollars in Thousands)

FUNDING LEVELS

	<u>1997</u>	<u>1998</u>	<u>1999</u> <u>Estimate</u>	<u>Increase</u> <u>(Decrease)</u>
Appropriation				
Salaries and Expenses	\$9,500	\$8,500	\$9,993	\$1,493
TOTAL APPROPRIATION	9,500	8,500	9,993	1,493

PERMANENT POSITIONS

Salaries and Expenses	51	51	54	3
Reimbursable	3	0	0	0
Total	54	51	54	3

HIGHLIGHTS OF BUDGET CHANGES

APPROPRIATION: Salaries and Expenses

Summary of Requirements

	<u>Detailed</u>		<u>Summary</u>	
	<u>Perm Pos</u>	<u>Amount</u>	<u>Perm Pos</u>	<u>Amount</u>
1998 Enacted			51	\$8,500
Adjustments to Base				
<u>Other Changes</u>				
1998 Pay raise	0	\$20		
1999 Pay raise	0	86		
Payment to the Working Capital Fund	0	9		
Within-grade step increases	0	12		
Civil Service Retirement and Disability Fund	0	(5)		
Civil Service Retirement System(CSRS)	0	10		
Federal Employees' Retirement System(FERS)	0	(5)		
Thrift Savings Plan	0	2		
Federal Insurance Contributions Act (FICA) -OASDI	0	4		
Health insurance	0	2		
Employees' Compensation Fund	0	48		
Travel	0	3		
Rent payments to GSA	0	15		
GSA Security Surcharge	0	8		
Printing and reproduction	0	6		

	<u>Detailed</u>		<u>Summary</u>	
	<u>Perm Pos</u>	<u>Amount</u>	<u>Perm Pos</u>	<u>Amount</u>
Other services:				
Working Capital Fund	0	\$23		
Contracts / Other Services	0	26		
General Pricing Level Adjustment	0	6		
Subtotal, other cost changes			0	270
Less Amount Absorbed			0	(137)
TOTAL, ADJUSTMENTS TO BASE			0	133
1999 Base			51	8,633
Program Changes			3	1,360
1999 APPROPRIATION			54	9,993

Comparison by Activity

	<u>1998 Currently Avail</u>		<u>1999 Base</u>		<u>1999 Estimate</u>		<u>Increase / Decrease</u>	
	<u>Perm Pos</u>	<u>Amount</u>	<u>Perm Pos</u>	<u>Amount</u>	<u>Perm Pos</u>	<u>Amount</u>	<u>Perm Pos</u>	<u>Amount</u>
DIRECT OBLIGATIONS								
Under Secretary / Office of Technology Policy	51	\$8,500	51	\$8,633	54	\$9,993	3	\$1,360
TOTAL DIRECT OBLIGATIONS	51	8,500	51	8,633	54	9,993	3	1,360
REIMBURSABLE OBLIGATIONS	0	1,148	0	349	0	349	0	0
TOTAL OBLIGATIONS	51	9,648	51	8,982	54	10,342	3	1,360
FINANCING								
Unobligated balance, start of year								
Offsetting collections from:								
Federal funds		(1,148)				(349)		
Subtotal, financing	0	(1,148)			0	(349)		
TOTAL, BUDGET AUTHORITY	51	8,500			54	9,993		

Highlights of Program Changes

	<u>Base</u>		<u>Increase / Decrease</u>	
	<u>Permanent Positions</u>	<u>Amount</u>	<u>Permanent Positions</u>	<u>Amount</u>
<u>Office of the Under Secretary /</u> Office of Technology Policy	51	\$8,633	3	+\$1,360

An increase (+3 pos.; +\$1,360) is included for the Experimental Program to Stimulate Competitive Technology (EPSCoT). This initiative, which supports the U.S. Innovation Partnership, is designed to foster development of indigenous technology assets in states and regions traditionally under-represented in Federal R&D funding. The proposed increase would expand the number of awards made under the EPSCoT program. EPSCoT supports technology commercialization in eligible states by promoting partnerships between state governments, universities, community colleges and the private sector. These partnerships increase the commercial technology competitiveness of eligible states by developing innovative science and technology resources, integrating and/or expanding existing resources and developing a supportive business climate.

TECHNOLOGY ADMINISTRATION

National Technical Information Service

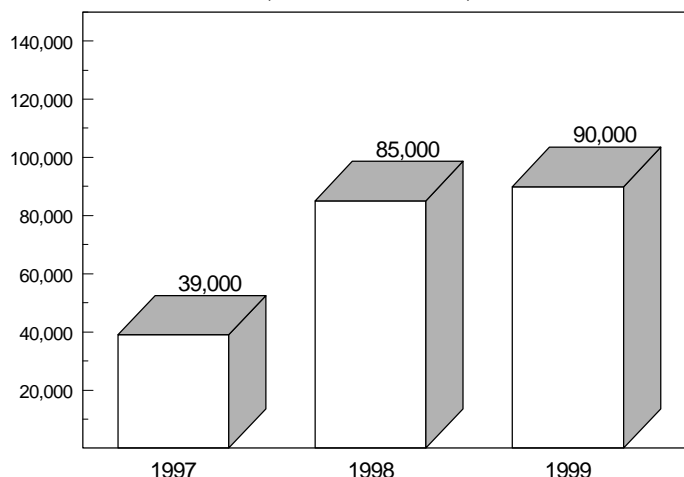
The National Technical Information Service (NTIS) a component of the Technology Administration, operates this revolving fund for the payment of all expenses incurred in collecting scientific, technical, engineering and other business-related information from Federal and international sources and disseminating it to the American business and industrial research community.

For FY 1999, NTIS has identified a series of performance measures which can be used to assess the impact of their program activities.

The activities under this account support the Science, Technology and Information strategic theme of the Commerce Strategic Plan. The first objective is to play a leadership role in assisting Federal agencies with dissemination of their scientific, technical and business information. Performance measures addressing this objective include:

NTIS FUNDING

(Dollars in Thousands)



	1997	1998	1999
Information Products Catalogued and Indexed	109,453	120,000	120,000
Items in Archive	2,661,365	2,781,365	2,901,365
Products Distributed	1,558,179	1,401,490	1,437,000

The second objective is to provide the services and infrastructure to organize scientific, technical, and business-related information and deliver it to NTIS

customers effectively. Performance measures addressing this objective include:

	1997	1998	1999
Documents Stored Electronically	44,290	175,000	425,000
Documents Reproduced From Electronic Media	78,481	150,000	300,000
System Access (per month)	15,273,953	23,000,000	25,000,000

Comparison by Activity

	<u>1998 Currently Avail</u>		<u>1999 Base</u>		<u>1999 Estimate</u>		<u>Increase / Decrease</u>	
	<u>Perm Pos</u>	<u>Amount</u>	<u>Perm Pos</u>	<u>Amount</u>	<u>Perm Pos</u>	<u>Amount</u>	<u>Perm Pos</u>	<u>Amount</u>
REIMBURSABLE OBLIGATIONS	456	\$86,665	456	\$85,000	456	\$90,000	0	\$5,000
TOTAL OBLIGATIONS	456	86,665	456	85,000	456	90,000	0	5,000
FINANCING								
Unobligated balance, start of year		(1,665)				0		
Unobligated balance, end of year		0				0		
Offsetting collections from:								
Federal funds		(42,000)				(44,000)		
Non-Federal sources		(43,000)				(46,000)		
Subtotal, financing		(86,665)			0	(90,000)		
TOTAL, BUDGET AUTHORITY	456	0			456	0		

TECHNOLOGY ADMINISTRATION

National Institute of Standards and Technology

The National Institute of Standards and Technology (NIST) is responsible for the measurement foundation which supports U.S. industry, government and scientific establishments. NIST promotes U.S. economic growth by working with industry to develop and apply technology, measurements, and standards. NIST carries out this mission through four major programs.

The **Measurement and Standards Laboratory research program** focuses on providing industry with the standards, verified data, and test methods required for new technologies and competing in the global economy.

The **Advanced Technology Program** makes cost-shared awards to accelerate commercialization of broad-based, high risk technologies with significant commercial potential.

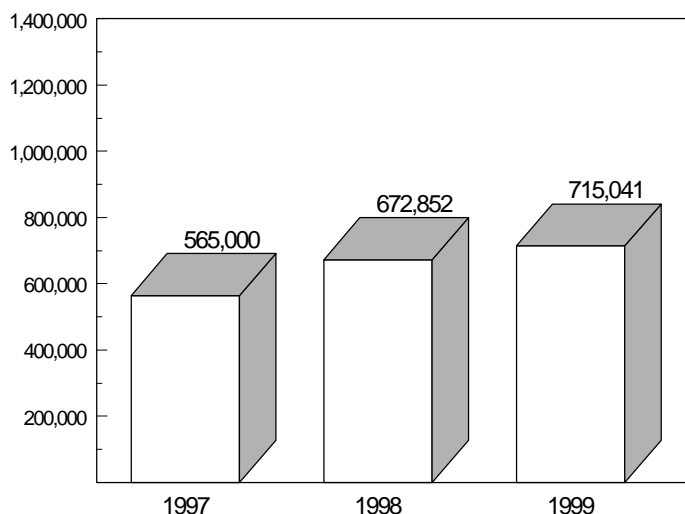
The **Manufacturing Extension Partnership Program** is designed to assist small- and medium-sized companies in assimilating new technologies and manufacturing practices through government-industry partnerships and extension services thereby improving the competitiveness of these businesses.

The **Malcolm Baldrige National Quality Program** is a highly visible quality management program, focused on instilling the principles of continuous quality improvement in American businesses.

In addition, NIST has initiated a long-term program to upgrade its physical plant. Significant and sustained investment in existing facilities, which are 35 to 45 years old, is required to meet the demanding physical

NIST FUNDING

(Dollars in Thousands)



and environmental parameters of NIST research in the 21st century. The FY 1999 budget includes funding to initiate construction of an Advanced Metrology Laboratory and address priority repairs and safety problems.

NIST supports two of Commerce's Strategic Themes. NIST's goals under Economic Infrastructure include supporting manufacturing extension services, implementing the National Quality Award and stimulating economic growth through the ATP. NIST's goal under Science/Technology/Information includes assisting in the development of technology.

Selected performance measures for FY 1999 include the following:

Program	Measure	1997	1998	1999
NIST Measurement and Standards Laboratories	Standard reference materials available	1,278	1,293	1,308
	Standard reference materials sold	39,358	38,928	38,142
	Calibrations performed	8,902	9,000	8,900
	Calibrations income (dollars in millions)	\$7.0	\$7.0	\$7.0
	Laboratories accredited	854	900	900
National Quality Program	State and local quality award programs supported	56	60	65

Program	Measure	1997	1998	1999
Advanced Technology Program	Competitions completed annually	7	10	9
	Number of new projects starts during year	64	92	94
	Industry cost-sharing commitments for new project starts (dollars in millions)	\$142	\$295	\$360
	Number of active projects	272	283	293
	Number of participants (active projects)	800	900	900
	Number of projects funded (cumulative)	352	444	538
	Industry cumulative cost-sharing amount (dollars in millions)	\$1,260	\$1,555	\$1,915
	Number of technologies under commercialization	60	120	160
Manufacturing Extension Partnership	Number of companies reached by MEP managed centers ¹	21,998	26,000	30,000
	Activities completed by MEP centers with small / medium -sized manufacturers ¹	28,578	30,943	33,473
	Increased sales for companies (dollars in millions) ²	\$214	\$305	\$389
	Inventory savings (dollars in millions) ²	\$31	\$44	\$56
	Labor and material savings (dollars in millions) ²	\$27	\$38	\$49
	Capital investment (dollars in millions) ²	\$156	\$222	\$284

1./ Anticipated increases for companies served and activities completed for FY 1998 and beyond are based on actual increases between FY 1997 and MEP's goal of increasing the system-wide market penetration rate.

2./ The performance measures are based on data collected from client firm surveys by the U.S. Census Bureau for projects completed during a calendar year. As a snapshot of MEP's impact approximately nine months after project completion, this technique does not measure cumulative or recurring benefits. Actual data for 1997 are not yet available.

SUMMARY OF APPROPRIATIONS

(Dollars in Thousands)

FUNDING LEVELS

Appropriation	<u>1997</u>	<u>1998</u>	<u>1999 Estimate</u>	<u>Increase (Decrease)</u>
Scientific and Technical Research and Services	\$268,000	\$271,852	\$291,636	\$19,784
Industrial Technology Services	313,000	306,000	366,691	60,691
Construction of Research Facilities	(16,000)	95,000	56,714	(38,286)
TOTAL APPROPRIATION	565,000	672,852	715,041	42,189
Working Capital Fund	[400]	[250]	[1,800]	[+1,550]
TOTAL BUDGET AUTHORITY	565,000	672,852	715,041	42,189

PERMANENT POSITIONS

Scientific and Technical Research and Services	2,079	2,079	2,156	77
Industrial Technology Services	377	377	380	3
Construction of Research Facilities	20	32	32	0
Reimbursable	746	679	652	(27)
TOTAL	3,222	3,167	3,220	53

HIGHLIGHTS OF BUDGET CHANGES

APPROPRIATION: Scientific and Technical Research and Services

Summary of Requirements

	<u>Detailed</u>		<u>Summary</u>	
	<u>Perm Pos</u>	<u>Amount</u>	<u>Perm Pos</u>	<u>Amount</u>
1998 Enacted			2,079	\$271,852
Adjustments to Base				
<u>Financing</u>				
Restoration of deobligations in FY 1998			0	1,000
<u>Other Changes</u>				
1998 Pay raise	0	\$903		
1999 Pay raise	0	3,492		
Payment to the Working Capital Fund	0	22		
Within-grade step increases	0	1,465		
Civil Service Retirement and Disability Fund	0	(153)		
Civil Service Retirement System(CSRS)	0	555		
Federal Employees' Retirement System(FERS)	0	(108)		
Thrift Savings Plan	0	71		

	<u>Detailed</u>		<u>Summary</u>	
	<u>Perm Pos</u>	<u>Amount</u>	<u>Perm Pos</u>	<u>Amount</u>
Federal Insurance Contributions Act (FICA) -OASDI	0	\$217		
Health insurance	0	133		
Employees' Compensation Fund	0	69		
Rent payments to GSA	0	1		
GSA Security Surcharge	0	1		
Utilities	0	931		
Printing and reproduction	0	27		
Other services:				
Working Capital Fund	0	99		
Commerce Administrative Management System (CAMS)	0	(115)		
General Pricing Level Adjustment	0	1,613		
Reactor Fuel	0	112		
Subtotal, other cost changes			0	9,335
Less Amount Absorbed			0	(3,351)
TOTAL, ADJUSTMENTS TO BASE			0	6,984
1999 Base			2,079	278,836
Program Changes			77	13,800
TOTAL REQUIREMENTS			2,156	292,636
Recoveries from prior year obligations			0	(1,000)
1999 APPROPRIATION			2,156	291,636

Comparison by Activity

	<u>1998 Currently Avail</u>		<u>1999 Base</u>		<u>1999 Estimate</u>		<u>Increase / Decrease</u>	
	<u>Perm Pos</u>	<u>Amount</u>	<u>Perm Pos</u>	<u>Amount</u>	<u>Perm Pos</u>	<u>Amount</u>	<u>Perm Pos</u>	<u>Amount</u>
DIRECT OBLIGATIONS								
Electronics & electrical engineering	281	\$36,064	281	\$36,684	289	\$38,304	8	\$1,620
Manufacturing engineering	160	19,305	160	19,404	160	19,404	0	0
Chemical science & technology	249	32,067	249	32,561	282	38,717	33	6,156
Physics	193	28,676	193	28,543	193	28,543	0	0
Materials science & engineering	363	51,469	363	52,141	363	51,441	0	(700)
Building & fire research	109	17,358	109	17,545	126	16,195	17	(1,350)
Computer science & applied math	336	43,789	336	44,116	336	44,116	0	0
Technology assistance	102	15,199	102	15,354	114	19,338	12	3,984
National quality program	34	3,035	34	3,083	41	5,373	7	2,290
Research support activities	252	31,095	252	29,405	252	29,405	0	0
TOTAL DIRECT OBLIGATIONS	2,079	278,057	2,079	278,836	2,156	290,836	77	12,000
FINANCING								
Unobligated balance, start of year		(5,205)						
Recovery of prior year obligations	0	(1,000)				(1,000)		
Subtotal, financing	0	(6,205)			0	(1,000)		
TOTAL, BUDGET AUTHORITY	2,079	271,852			2,156	289,836		
Transfer to Working Capital Fund		0				1,800		
TOTAL APPROPRIATION	2,079	271,852			2,156	291,636		

Highlights of Program Changes

	Permanent <u>Positions</u>	<u>Base</u> Amount	<u>Increase / Decrease</u>	
			Permanent <u>Positions</u>	<u>Amount</u>
<u>Electronics and Electrical Engineering</u>	281	\$36,684	+8	+\$1,620

An increase (+8 pos.; +\$1,620) is included to develop and deliver new measurement tools and services to the semiconductor, precision equipment, and materials industries. The metrology tools and services developed by this initiative will allow these industries to develop new products and processes in the U.S. rather than in foreign countries.

<u>Chemical Science and Technology</u>	249	32,561	+33	+6,156
--	-----	--------	-----	--------

An increase (+33 pos.; +\$6,156) is included to improve the measurements and data underpinning the next generation of climate change technologies that will reduce greenhouse gas emissions and produce more efficient industrial processes. The initiative targets the measurements and data to enable large-scale carbon dioxide mitigation or removal from the atmosphere, industrial reductions in carbon dioxide emissions, and replacement of industrially important ozone-damaging gases with environmentally acceptable and better performing alternatives. This contributes to the Administration's FY 1999 Initiative on Climate Change Technology.

<u>Materials Science and Engineering</u>	363	52,141	0	-700
--	-----	--------	---	------

A decrease (0 pos.; -\$700) is included to reflect conclusion of a Congressionally mandated collaborative effort with Iowa State University and Northwestern University focusing on Integrated Design and Non-Destructive Evaluation.

<u>Building and Fire Research</u>	109	17,545	+17	-1,350
-----------------------------------	-----	--------	-----	--------

An increase (+17 pos.; +\$2,450) is included to develop and disseminate the measurements and standards for next-generation technologies that will enable cost-effective disaster mitigation, response and recovery for critical economic infrastructure systems. The ultimate goal is to minimize the costs of natural disasters to U.S. commerce. This initiative contributes to two White House FY 1999 interagency high priority research areas: Natural Disaster Reduction Research and Buildings Research.

A decrease (0 pos.; -\$3,800) is included to reflect the conclusion of a Congressionally mandated cooperative agreement with Texas Tech University focusing on wind research.

<u>Technology Assistance</u>	102	15,354	+12	+3,984
------------------------------	-----	--------	-----	--------

An increase (+12 pos.; +\$3,984) will provide for the development of a comprehensive structure of technical measurements and standards needed for international trade and to promote the global use of these standards and measurements. As the U.S. measurement and standards laboratory, NIST is the only agency with responsibility to provide the technical support needed by U.S. exporters. This initiative is designed to eliminate technical barriers that some U.S. firms now face in international markets.

<u>National Quality Program</u>	34	3,083	+7	+2,290
---------------------------------	----	-------	----	--------

An increase (+7 pos.; +\$2,290) will allow NIST to continue an aggressive quality improvement and competitiveness leadership program with outreach efforts to the U.S. business and public benefit sectors, and to establish and manage award categories in health care and education.

APPROPRIATION: Industrial Technology Services

Summary of Requirements

	<u>Detailed</u>		<u>Summary</u>	
	<u>Perm Pos</u>	<u>Amount</u>	<u>Perm Pos</u>	<u>Amount</u>
1998 Enacted			377	\$306,000
<u>Financing</u>				
Unobligated balance			0	9,000
<u>Adjustments to Base</u>				
<u>Other Changes</u>				
1998 Pay raise	0	\$161		
1999 Pay raise	0	641		
Payment to the Working Capital Fund	0	9		
Within-grade step increases	0	269		
Civil Service Retirement and Disability Fund	0	(21)		
Civil Service Retirement System(CSRS)	0	102		
Federal Employees' Retirement System(FERS)	0	(20)		
Thrift Savings Plan	0	13		
Federal Insurance Contributions Act (FICA) -OASDI	0	39		
Health insurance	0	26		
Employees' Compensation Fund	0	34		
Utilities	0	369		
Printing and reproduction	0	8		
Other services:				
Working Capital Fund	0	39		
Contracts / Other Services	0	191		
General Pricing Level Adjustment	0	151		
Subtotal, other cost changes			0	2,011
Less Amount Absorbed			0	(908)
TOTAL, ADJUSTMENTS TO BASE			0	1,103
1999 Base			377	316,103
Program Changes			3	59,588
TOTAL REQUIREMENTS			380	375,691
Unobligated balance			0	(9,000)
1999 APPROPRIATION			380	366,691

Comparison by Activity

	<u>1998 Currently Avail</u>		<u>1999 Base</u>		<u>1999 Estimate</u>		<u>Increase / Decrease</u>	
	<u>Perm Pos</u>	<u>Amount</u>	<u>Perm Pos</u>	<u>Amount</u>	<u>Perm Pos</u>	<u>Amount</u>	<u>Perm Pos</u>	<u>Amount</u>
DIRECT OBLIGATIONS								
Advanced Technology Program	270	\$199,386	270	\$201,500	273	\$268,891	3	\$67,391
Manufacturing Extension Partnership	107	114,187	107	114,603	107	106,800	0	(7,803)
TOTAL DIRECT OBLIGATIONS	377	313,573	377	316,103	380	375,691	3	59,588
Unobligated balance, start of year	0	(15,823)	0	(9,000)	0	(9,000)		
Prior year recoveries		(1,000)	0	0				
Unobligated balance, end of year	0	9,000	0	0				
TOTAL, BUDGET AUTHORITY	377	305,750	377	307,103	380	366,691		
Transfer to Working Capital Fund		250	0	0		0		
TOTAL, APPROPRIATION	377	306,000	377	307,103	380	366,691		

Highlights of Program Changes

	<u>Permanent Positions</u>	<u>Base</u>	<u>Increase / Decrease</u>	
		<u>Amount</u>	<u>Permanent Positions</u>	<u>Amount</u>
<u>Advanced Technology Program</u>	270	\$201,500	+3	+\$67,391

An increase (+3 pos.; +\$67,391) will permit the continued expansion of the ATP. This increase addresses a principal goal of the Department of Commerce and the Administration: to stimulate U.S. economic growth by developing high-risk and enabling technologies through industry-driven cost-shared partnerships. In FY 1999, the ATP will carry out at least one general competition and several new focused program competitions. An ATP general competition involves \$20 to \$25 million. An ATP focused program competition is typically budgeted for \$10 - \$15 million per year and typically involves three solicitations over several years. Both types of competitions are accompanied by a comparable amount of private sector cost-sharing. Each focused program has clearly stated, industry-defined technical and business goals. A total level of \$94 million in new awards is planned in FY 1999.

<u>Manufacturing Extension Partnership</u>	107	114,603	0	-7,803
--	-----	---------	---	--------

This decrease (0 pos.; -\$7,803) reflects the maturation of the nation wide center network. Although the number of centers is not expected to change, the Federal share of operating costs will decrease. The Administration believes that continued financial support for the centers is required to maintain their focus on the Nation's 382,000 small- and medium-sized manufacturers. However, continued funding will be provided at no more than one-third of the centers total annual operating costs.

APPROPRIATION: Construction of Research Facilities

Summary of Requirements

	<u>Detailed</u>		<u>Summary</u>	
	<u>Perm Pos</u>	<u>Amount</u>	<u>Perm Pos</u>	<u>Amount</u>
1998 Enacted			32	\$95,000
Adjustments to Base				
<u>Other Changes</u>				
1998 Pay raise	0	\$6		
1999 Pay raise	0	40		
Within-grade step increases	0	6		
Civil Service Retirement and Disability Fund	0	(1)		
Civil Service Retirement System(CSRS)	0	7		
Federal Insurance Contributions Act (FICA) -OASDI	0	2		
Health insurance	0	2		
Other services:				
Contracts / Other Services	0	359		
General Pricing Level Adjustment	0	26		
Subtotal, other cost changes			0	447
Less Amount Absorbed			0	(425)
TOTAL, ADJUSTMENTS TO BASE			0	22
1999 Base			32	95,022
Program Changes			0	(38,308)
1999 APPROPRIATION			32	56,714

Comparison by Activity

	<u>1998 Currently Avail</u>		<u>1999 Base</u>		<u>1999 Estimate</u>		<u>Increase / Decrease</u>	
	<u>Perm Pos</u>	<u>Amount</u>	<u>Perm Pos</u>	<u>Amount</u>	<u>Perm Pos</u>	<u>Amount</u>	<u>Perm Pos</u>	<u>Amount</u>
DIRECT OBLIGATIONS								
Construction & major renovations	32	\$103,576	32	\$95,022	32	\$56,714	0	(\$38,308)
TOTAL DIRECT OBLIGATIONS	32	103,576	32	95,022	32	56,714	0	(38,308)
FINANCING								
Unobligated balance, start of year		(8,576)				0		
Unobligated balance, end of year	0	0			0	0		
Subtotal, financing	0	(8,576)			0	0		
TOTAL, BUDGET AUTHORITY	32	95,000			32	56,714		

Highlights of Program Changes

	Permanent Positions	<u>Base</u> Amount	<u>Increase / Decrease</u>	
			Permanent Positions	Amount
<u>Construction and Major Renovations</u>	12	\$63,000	0	-\$23,000

This decrease (0 pos.; -\$23,000) recognizes the allocation of \$63 million from the FY 1998 appropriation for construction of the Advanced Measurement Laboratory and the advanced appropriation of \$40 million annually that will be provided in Fiscal Years 1999 through 2001 and \$35 million in Fiscal Year 2002 to complete the project. The total AML project cost is \$218 million and will take 44 months to complete. This facility will provide NIST with the temperature, humidity, vibration and air cleanliness controls required to perform cutting-edge research in the 21st century.

<u>Modifications and Improvements</u>	20	32,022	0	-15,308
---------------------------------------	----	--------	---	---------

This decrease (0 pos.; -\$15,308) provides a sufficient level of funding to address the highest priority safety, capacity, maintenance and major repair projects.

APPROPRIATION: Working Capital Fund

Comparison by Activity

	<u>1998 Currently Avail</u>		<u>1999 Base</u>		<u>1999 Estimate</u>		<u>Increase / Decrease</u>	
	<u>Perm Pos</u>	<u>Amount</u>	<u>Perm Pos</u>	<u>Amount</u>	<u>Perm Pos</u>	<u>Amount</u>	<u>Perm Pos</u>	<u>Amount</u>
Reimbursable Obligations	679	\$112,913	679	\$112,663	652	\$114,463	(27)	\$1,800
FINANCING								
Unobligated balance, start of year		(38,604)				(38,604)		
Unobligated balance, end of year		38,604				38,604		
Offsetting collections from:								
Federal funds		(72,104)				(72,104)		
Non-Federal sources	0	(40,559)				(40,559)		
Subtotal, financing	0	(112,663)			0	(112,663)		
TOTAL, BUDGET AUTHORITY	679	250			652	1,800		
TRANSFERS								
From STRS		0				(1,800)		
FROM ITS		(250)				0		
TOTAL, APPROPRIATION	679	0			652	0		

NATIONAL TELECOMMUNICATIONS AND INFORMATION ADMINISTRATION

The National Telecommunications and Information Administration (NTIA) is the Executive Branch agency principally responsible for domestic and international telecommunications and information policy issues. NTIA works to promote the efficient and effective use of telecommunications and information resources in a manner that creates job opportunities, enhances U.S. competitiveness, and raises the standard of living.

For FY 1999, NTIA is requesting funding for domestic and international policy development and implementation, spectrum management covering the Federal use of the radio frequency spectrum, telecommunications sciences research to stimulate development and use of telecommunication and information services, and two telecommunications-related grant programs, the Information Infrastructure Grants (IIG) and Public Telecommunications Facilities and Digital Broadcasting Applications (PTFDBA) Programs.

The IIG program provides grants to non-profits and other public organizations, to demonstrate and promote the practical applications of new telecommunications and information technologies that improve the quality of, and the public's access to education, health care, public safety and other community-based services.

The PTFDBA, formerly the Public Telecommunications Facilities, Planning and Construction Program, provides matching grants to public telecommunications entities for the planning and construction of facilities that provide educational and cultural service to the public. PTFDBA will award grants to entities that demonstrate innovative applications of digital broadcasting and promote consolidation and efficiency within the public broadcasting system.

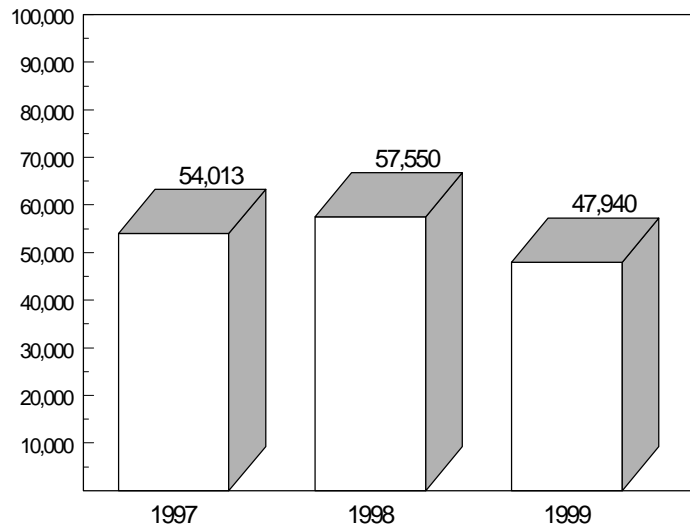
NTIA has initiated an agency strategic planning process designed to improve the management and effectiveness of the agency. Within the resources available, NTIA will address priority issues in telecommunications and information today and maximize the return on those resources by utilizing this expertise throughout its programs.

NTIA's strategic planning process complements and extends the strategic plan of the Department of Commerce. All of NTIA's goals support one or more of the following Commerce themes and objectives:

A: Build for the future and promote U.S. competitiveness in the global market place, by

NTIA FUNDING

(Dollars in Thousands)



strengthening and safeguarding the nation's economic infrastructure;

B: Keep America competitive with cutting-edge science and technology and an unrivaled information base;

C: Provide effective management and stewardship of our nation's resources and assets to ensure sustainable economic opportunities.

NTIA's seven strategic goals are presented below, with examples of the performance measures the agency is developing to assess the impact of their program activities. The measures focus on NTIA's priority programs and are not intended to cover every dollar in NTIA's budget. The performance measures will continue to evolve over time, as NTIA and its programs, the Department of Commerce, and the Federal government as a whole continue to refine and enhance their capacity to develop performance measures, to use performance measurement as a key management tool, and implement the GPRA.

The performance measures used by NTIA in FY 1999 include:

NTIA STRATEGIC GOALS:

Goal 1: Increase the availability of affordable access to telecommunications and information services for all Americans.

Goal 2: Develop and promote policies and plans for use of the radio spectrum that provide the greatest benefit for all Americans.

Goal 3: Implement policy and plans to manage and conserve Federal use of the radio spectrum considering the national interest.

Goal 4: Promote applications of advanced

telecommunications and information technology that benefit all Americans.

Goal 5: Act as a catalyst for domestic telecommunication and mass media infrastructure development.

Goal 6: Promote the free flow of information and diversity of voices in the nation's electronic media.

Goal 7: Promote U.S. telecommunications and information competitiveness abroad.

Information Infrastructure Grants (IIG)	1997	1998	1999
<u>Outcomes:</u> Number of models that exist for utilization of information infrastructure for non-profit and public service. Models will focus on economic development, education, lifelong learning, health, public safety, local and state government services and social and community issues.	277	332	382
<u>Salaries and Expenses</u> <u>Outcomes:</u> Problem Resolution Sessions conducted to resolve spectrum coordination use and authorization issues. Engineering reviews conducted for future radio communication systems.	71 60	74 80	74 80
Public Telecommunications Facilities and Digital Broadcasting Application Program <u>Outcome:</u> Maintain current level coverage of public broadcasting recipients through digital transition (in percent)	95	95	95

SUMMARY OF APPROPRIATIONS

(Dollars in Thousands)

FUNDING LEVELS

Appropriation	<u>1997</u>	<u>1998</u>	<u>1999</u> <u>Estimate</u>	Increase <u>(Decrease)</u>
Salaries and Expenses	\$15,000	\$16,550	\$10,940	(\$5,610)
Public Telecommunications Facilities and Digital Broadcasting Applications	15,250	21,000	15,000	(6,000)
Endowment for Children's Educational Television	0	0	0	
Information Infrastructure Grants	21,490	20,000	22,000	2,000
TOTAL APPROPRIATION	51,740	57,550	47,940	(9,610)
Transfers:				
From NOAA-ORF(P.L. 104-208)	1,500	0	0	0
From EDA Revolving Fund (P.L. 104-208)	773	0	0	0
TOTAL BUDGET AUTHORITY	54,013	57,550	47,940	(9,610)

PERMANENT POSITIONS

Salaries and Expenses	120	106	98	(8)
Reimbursable	102	138	148	10
Public Telecommunications Facilities and Digital Broadcasting Applications	13	13	13	0
Endowment for Children's Educational Television	0	0	0	0
Information Infrastructure Grants	23	34	34	0
TOTAL	258	291	293	2

HIGHLIGHTS OF BUDGET CHANGES

APPROPRIATION: Salaries and Expenses

Summary of Requirements

	<u>Detailed</u>		<u>Summary</u>	
	<u>Perm Pos</u>	<u>Amount</u>	<u>Perm Pos</u>	<u>Amount</u>
1998 Enacted			106	\$16,550
Adjustments to Base				
<u>Adjustments</u>				
FTE / Permanent positions adjustment			(14)	(1,800)
Non-recurring items			0	(1,250)
Offset for FY 1998 and FY 1999 Spectrum reimbursements			0	(3,303)
<u>Other Changes</u>				
1998 Pay raise	0	(\$49)		
1999 Pay raise	0	226		
Payment to the Working Capital Fund	0	21		
Full year cost in 1999 of positions financed for part year in 1998	0	42		
Within-grade step increases	0	86		
Civil Service Retirement and Disability Fund	0	(9)		
Civil Service Retirement System(CSRS)	0	64		
Federal Employees' Retirement System(FERS)	0	(30)		
Federal Insurance Contributions Act (FICA) -OASDI	0	4		
Health insurance	0	14		
Employees' Compensation Fund	0	19		
Travel	0	15		
Rent payments to GSA	0	52		
GSA Security Surcharge	0	20		
Printing and reproduction	0	3		
Other services:				
Working Capital Fund	0	39		
General Pricing Level Adjustment	0	49		
Subtotal, other cost changes			0	566
Less Amount Absorbed			0	(323)
TOTAL, ADJUSTMENTS TO BASE			(14)	(6,110)
1999 Base			92	10,440
Program Changes			6	500
1999 APPROPRIATION			98	10,940

Comparison by Activity

	<u>1998 Currently Avail</u>		<u>1999 Base</u>		<u>1999 Estimate</u>		<u>Increase / Decrease</u>	
	<u>Perm Pos</u>	<u>Amount</u>	<u>Perm Pos</u>	<u>Amount</u>	<u>Perm Pos</u>	<u>Amount</u>	<u>Perm Pos</u>	<u>Amount</u>
DIRECT OBLIGATIONS								
Domestic & International Policies:								
Domestic policies	22	\$2,183	22	\$1,937	22	\$1,937	0	\$0
International policies	15	3,728	15	2,228	15	2,228	0	0
Subtotal, Dom. & Internat'l Policies	37	5,911	37	4,165	37	4,165	0	0
Spectrum Management								
Spectrum plans & policies	9	1,950	6	1,716	10	2,106	4	390
Spectrum management, analysis & operations	23	6,061	12	1,027	14	1,137	2	110
Subtotal, Spectrum Management	32	8,011	18	2,743	24	3,243	6	500
Telecommunication Sciences Research								
Spectrum research & analysis	19	1,828	19	1,870	19	1,870	0	0
Systems & networks research & analysis	18	1,626	18	1,662	18	1,662	0	0
Subtotal, Telecommunications Sciences Research	37	3,454	37	3,532	37	3,532	0	0
TOTAL DIRECT OBLIGATIONS	106	17,376	92	10,440	98	10,940	6	500
REIMBURSABLE OBLIGATIONS	138	16,220	135	17,771	148	19,771	13	2,000
TOTAL OBLIGATIONS	244	33,596	227	28,211	246	30,711	19	2,500
FINANCING								
Unobligated balance, start of year		(826)				0		
Offsetting collections from:								
Federal funds	(138)	(15,920)			(148)	(19,271)		
Non-Federal sources		(300)				(500)		
Subtotal, financing	(138)	(17,046)			(148)	(19,771)		
TOTAL BUDGET AUTHORITY	106	16,550			98	10,940		

Highlights of Program Changes

	<u>Base</u>		<u>Increase / Decrease</u>	
	<u>Permanent Positions</u>	<u>Amount</u>	<u>Permanent Positions</u>	<u>Amount</u>
<u>Spectrum Management</u>	18	\$2,743	+6	+\$500

A program increase (+4 pos; +\$390) is proposed to expand NTIA's activities in public safety. This initiative will provide the necessary leadership, technical expertise, applied research, policy guidance, and spectrum management support needed to coordinate Federal, state and local public safety agencies and establish a common national strategy for public safety. It will also encourage use of standard radio systems, and explore ways to deal with the regulatory issues attached to public safety needs. (Note: NTIA is also requesting 7 reimbursable FTEs and \$1,560,000 in increased spectrum reimbursements to fund this initiative.)

A program increase (+2 pos; +\$110) is proposed to undertake a four-year reexamination of adjacent band and man-made spectrum interference within the 0-300 Ghz frequencies. The final product will let all spectrum users know when interference will occur in their bands. The significance of out-of-band effects and adjacent band problems will only get worse as the search goes on for more spectrum to expand radio-based telecommunications services. (Note: In addition to the direct funding, NTIA is also requesting 3 reimbursable FTEs and \$440,000 in increased spectrum reimbursements to fund this initiative.)

APPROPRIATION: Public Telecommunications Facilities and Digital Broadcasting Applications

Summary of Requirements

	<u>Detailed</u>		<u>Summary</u>	
	<u>Perm Pos</u>	<u>Amount</u>	<u>Perm Pos</u>	<u>Amount</u>
1998 Enacted			13	\$21,000
Adjustments to Base				
<u>Other Changes</u>				
1998 Pay raise	0	(\$2)		
1999 Pay raise	0	23		
Within-grade step increases	0	7		
Civil Service Retirement and Disability Fund	0	(1)		
Civil Service Retirement System(CSRS)	0	2		
Federal Employees' Retirement System(FERS)	0	3		
Thrift Savings Plan	0	1		
Federal Insurance Contributions Act (FICA) -OASDI	0	3		
Health insurance	0	1		
Travel	0	1		
Rent payments to GSA	0	4		
Printing and reproduction	0	1		
General Pricing Level Adjustment	0	4		
Subtotal, other cost changes			0	47
Less Amount Absorbed			0	(47)
TOTAL, ADJUSTMENTS TO BASE			0	0
1999 Base			13	21,000
Program Changes			0	(6,000)
1999 APPROPRIATION			13	15,000

Comparison by Activity

	<u>1998 Currently Avail</u>		<u>1999 Base</u>		<u>1999 Estimate</u>		<u>Increase / Decrease</u>	
DIRECT OBLIGATIONS	<u>Perm Pos</u>	<u>Amount</u>	<u>Perm Pos</u>	<u>Amount</u>	<u>Perm Pos</u>	<u>Amount</u>	<u>Perm Pos</u>	<u>Amount</u>
Grants	0	\$21,289	0	\$19,500	0	\$13,500	0	(\$6,000)
Program Management	13	1,686	13	1,500	13	1,500	0	0
TOTAL DIRECT OBLIGATIONS	13	22,975	13	21,000	13	15,000	0	(6,000)
Unobligated balance, start of year	0	(1,975)				0		
TOTAL, BUDGET AUTHORITY	13	21,000			13	15,000		

Highlights of Program Changes

	<u>Base</u>		<u>Increase / Decrease</u>	
	<u>Permanent Positions</u>	<u>Amount</u>	<u>Permanent Positions</u>	<u>Amount</u>
<u>Public Telecommunications Facilities and Digital Broadcasting Applications</u>	13	\$21,000	0	-\$6,000

This program, in coordination and cooperation with the Corporation for Public Broadcasting, will concentrate on the public broadcasting transition from analog to digital broadcasting. For FY 1999, NTIA will competitively award grants to those entities that promote consolidation, efficiency, and innovation within public broadcasting.

APPROPRIATION: Endowment for Children's Educational Television

Comparison by Activity

	<u>1998 Currently Avail</u>		<u>1999 Base</u>		<u>1999 Estimate</u>		<u>Increase / Decrease</u>	
	<u>Perm Pos</u>	<u>Amount</u>	<u>Perm Pos</u>	<u>Amount</u>	<u>Perm Pos</u>	<u>Amount</u>	<u>Perm Pos</u>	<u>Amount</u>
DIRECT OBLIGATIONS								
Grants	0	\$0	0	\$0	0	\$0	0	\$0
Program Management	0	1,200	0	0	0	0	0	0
TOTAL DIRECT OBLIGATIONS	0	1,200	0	0	0	0	0	0
Unobligated balance, start of year	0	(1,200)				0		
TOTAL, BUDGET AUTHORITY	0	0				0	0	

APPROPRIATION: Information Infrastructure Grants

Summary of Requirements

	<u>Detailed</u>		<u>Summary</u>	
	<u>Perm Pos</u>	<u>Amount</u>	<u>Perm Pos</u>	<u>Amount</u>
1998 Enacted			34	\$20,000
Adjustments to Base				
<u>Other Changes</u>				
1998 Pay raise	0	(\$2)		
1999 Pay raise	0	38		
Payment to the Working Capital Fund	0	4		
Within-grade step increases	0	20		
Civil Service Retirement and Disability Fund	0	(2)		
Civil Service Retirement System(CSRS)	0	5		
Federal Employees' Retirement System(FERS)	0	(10)		
Federal Insurance Contributions Act (FICA) -OASDI	0	(1)		
Health insurance	0	2		
Travel	0	11		
Rent payments to GSA	0	6		
Printing and reproduction	0	3		
Other services:				
Working Capital Fund	0	8		
General Pricing Level Adjustment	0	11		
Subtotal, Other changes			0	93
Less Amount Absorbed			0	(93)
TOTAL, ADJUSTMENTS TO BASE			0	0
1999 Base			34	20,000
Program Changes			0	2,000
1999 APPROPRIATION			34	22,000

Comparison by Activity

	<u>1998 Currently Avail</u>		<u>1999 Base</u>		<u>1999 Estimate</u>		<u>Increase / Decrease</u>	
	<u>Perm Pos</u>	<u>Amount</u>	<u>Perm Pos</u>	<u>Amount</u>	<u>Perm Pos</u>	<u>Amount</u>	<u>Perm Pos</u>	<u>Amount</u>
DIRECT OBLIGATIONS								
Grants	0	\$17,601	0	\$17,000	0	\$19,000	0	\$2,000
Program Management	34	4,928	34	3,000	34	3,000	0	0
TOTAL DIRECT OBLIGATIONS	34	22,529	34	20,000	34	22,000	0	2,000
Unobligated balance, start of year	0	(2,529)				0		
TOTAL, BUDGET AUTHORITY	34	20,000			34	22,000		

Highlights of Program Changes

	<u>Base</u>		<u>Increase / Decrease</u>	
	<u>Permanent Positions</u>	<u>Amount</u>	<u>Permanent Positions</u>	<u>Amount</u>
<u>Information Infrastructure Grants</u>	34	\$20,000	0	+\$2,000

An increase is proposed to continue stimulating the development of an advanced nationwide telecommunications and information infrastructure that brings the benefits of information networks to Americans at the local level and fully utilizes the potential of the National Information Infrastructure (NII) for public and community services. Matching grants will continue to be awarded through a competitive, merit-based review for projects that improve the quality of and the public's access to education, health care, public safety, and other community-based services. The additional funds will permit NTIA to extend the benefits of the NII to a greater number of underserved rural and low-income, urban communities across the Nation.